SENATE—*Thursday, October 6, 1983*

(Legislative day of Monday, October 3, 1983)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

The PRESIDENT pro tempore. Our prayer today will be offered by the Reverend Dr. Don S. Wheat, pastor, Central Baptist Church, Clovis, N. Mex. Dr. Wheat is sponsored by Senator PETE DOMENICI.

PRAYER

The Reverend Dr. Don S. Wheat, pastor, Central Baptist Church, Clovis, N. Mex., offered the following prayer:

Let us pray.

Almighty God, in whom we live and move and have our being. To whom we are finally accountable for the stewardship of our lives.

We bow humbly before Thee, our Father, asking for wisdom and courage tempered with compassion that we might in all things keep faith with our Nation, with ourselves and with Thee. May the deliberations of this body, as well as the actions it will take, be pleasing in Your eyes.

We thank You, Lord, for the many personal, providential blessings we enjoy daily in this good land to which You have brought us. May our generation be worthy of the unselfish sacrifices of those who have lived before us. May we pass on to our children the good things which we ourselves have enjoyed.

We ask this all in the Holy and Sovereign Name of our God. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

COMMENDATION OF THE REVEREND DOCTOR DON S. WHEAT

Mr. BAKER. Mr. President, I congratulate our guest chaplain, Dr. Wheat, for his prayer this morning.

We are always happy to have visiting chaplains and ministers with us, and we especially extend our greetings to him and our thanks to Senator DOMENICI for suggesting and sponsoring his appearance here today.

SENATE SCHEDULE

Mr. BAKER. Mr. President, there are four special orders for today which will be executed after the time for the two leaders under the standing order expires, and that will take us up to a little after 12 o'clock, probably.

Then there is an order for a very brief period for the transaction of routine morning business that will run until 12:30. That may not be enough time for morning business. If it is not, it would be the intention of the leadership on this side to provide additional time later in the day to transact routine morning business.

The program is laid out in order to give the managers on both sides of the dairy-tobacco bill adequate time to try to complete that measure today. I hope they can do that today, and I encourage them to do so.

When we get back on that bill at 12:30 p.m. or thereabouts, the Moynihan amendment will be the pending question. I am told that there are other amendments that will be offered as well.

Mr. President, in addition to that bill, we still have quite a list of things we can and should do. We will have an Interior appropriations conference report, perhaps. We may have an unemployment benefits conference report. I hope so, because those benefits will be in jeopardy if we do not act before we go out.

There may be a reconciliation bill, which I doubt; but if there is not, it may be necessary to extend the time for reconciliation compliance under the statute. That is a matter I mentioned to the minority leader this morning, and I will confer with him further about that, after I have had an opportunity to talk to the chairman of the Budget Committee, Senator DOMENICI, and especially Senator DOLE, the chairman of the Finance Committee.

The trade authorization bill may be available, and there may be other things we can take up.

It is not my intention to ask the Senate to take up the Commerce-Justice-State-Judiciary appropriations bill or the State authorization bill before we go out.

One unhappy note, and I do not mean to unduly alarm my colleagues: At this moment, in an absolute abundance of precaution, I intend to consider offering an amendment to the adjournment resolution, which refers to Thursday and Friday of this week, to make it Thursday, Friday, and Saturday. The reason for that is not to intimidate anybody but simply that we may have problems with either the unemployment conference report or some other matter that must be dealt with. I do believe I would be remiss if I did not offer that amendment.

My hope is that we can finish those things we have to finish today and adjourn tonight, but I must say that that is now less than a 50-50 prospect.

So Senators should plan to be here tomorrow, Friday; and I will work as hard as I can, as I am sure the minority leader and others, to see if we can improve on that schedule.

For the time being, Mr. President, we will do the dairy-tobacco bill, and we hope that can be finished today. We probably will have the Interior appropriations conference report, and I hope we will have the unemployment conference report. We may have to do the trade authorization bill and may have to do something on reconciliation instructions.

One other matter is intelligence authorization. I have written that as an item on my list. That is one we very much need to do. I will have a conference in a few moments with the minority leader and Members on both sides to see if we can work out an arrangement on that matter.

Mr. President, I believe that is all I can announce at this time. I have nothing further to say, and I offer my remaining time to the minority leader, if he wishes it.

Mr. BYRD. I will accept the remaining time, and I thank the majority leader.

Mr. President, I ask the majority leader this question: Is there anything under consideration for the movement of another immigration bill? Twice, this body has passed an immigration bill, and editorials in both the Washington Post and in the New York Times have called attention to the need for such legislation.

I should like to know whether or not there is a possibility that the Senate will initiate another immigration bill. It should not take long to do it, because we have gone through this twice. I think the country needs this legislation.

Mr. BAKER. Mr. President, I can assure the minority leader that I support the bill which, as he points out, we have passed twice, and I do so en-

thusiastically. I regret that, apparently, the Speaker does not plan to take up the bill before we go out, or in this session, as I read the newspapers.

I have asked the staff on this side, the keepers of the calendar on this side, to examine the bills we have, to see what might be available onto which the immigration bill might be added as an amendment. I do not know whether it will do any good, but I have that inquiry in process.

I have not yet talked to Senator SIMPSON, who is the principal sponsor of this bill and has done an excellent job of moving it, but I intend to do that today. I will confer with the minority leader during the day, and if we can find a way to do that, I suspect that we probably will.

Mr. BYRD. I hope we will.

Mr. President, I ask unanimous consent to have printed in the RECORD the editorials to which I have alluded.

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

[From the New York Times Oct. 5, 1983]

THE SPEAKER AND THE BIG WINK

Until yesterday, there was something remarkable about the immigration reforms that have developed in the last five years: They have been truly nonpartisan. Putting the United States back in control of the borders is an idea not limited to either the liberal or conservative canon, and a bill to do that has won wide support from both parties. But yesterday, Speaker O'Neill killed both the nonpartisan spirit and the bill, saying "I don't think there's a constituency out there for it."

The Speaker of the House deserves respect as a canny politician, but that reasoning could stand elaboration. No constituency?

After three years of work, a blue-ribbon Federal commission urged the immigration reforms. That at least suggested the start of a constituency. A Republican Senator, Alan Simpson, and a Democratic Representative, Romano Mazzoli, refined the recommendations into a bill that won overwhelming, bipartisan support in the Senate—twice. That at least seemed to hint at a constituency.

President Reagan repeatedly expressed strong support, most lately yesterday. So did representatives of labor and industry like the president of the A.F.L.-C.I.O. and the chairman of Exxon. All that certainly *seemed* like a constituency, and a broad one at that. But if the Speaker of the House sees no constituency, there must not be one.

Either that, or he had another reason for wanting to strangle this bill. In fact, he stated one yesterday, in a burst of candor. Leaders of Hispanic organizations oppose the bill and he doesn't want to jeopardize the traditional loyalty of Hispanics to the Democratic Party.

In other words, with the 1984 campaign already under way, the day for nonpartisanship is over, partisan politics is back—and immigration reform is cooked until 1985.

That means America's immigration policy will continue to be a Big Wink. Illegal aliens will keep streaming in past the pitifully overworked Immigration Service. Americans will turn even more cynical, and nativist, and sentiment to curtail all immigration will continue to rise. Slam the door, people will say; and that, Mr. Speaker, is apt to be a position with a lot of constituents.

[From the Washington Post, Oct. 6, 1983]

FREE THE IMMIGRATION BILL

What kind of arbitrary and obstructionist performance is that by Speaker O'Neill in deciding that the House should not have a chance to work its will this year or next on the immigration bill?

The speaker claims the bill has no "real constituency." But that is only a way to say it's cosntroversial and does not stir widespread enthusiasm. The bill represents an exhaustive legislative compromise. It has precisely a "real constituency," one that has endured the tradeoffs any serious approach to immigration must embody.

Mr. O'Neill, with a candor bordering on shamelessness, says he is acting at the behest of the House Hispanic Caucus. How can he hand off to one special interest, which in any event may not represent the full range of its community's views, a veto over a bill of general application? The House has given a full and careful hearing to the considerations—the worthy considerations, centering on a fear that the new law would provoke discrimination against Hispanics—voiced by the Hispanic Caucus and the organized Hispanic leadership. It would be good to know, by the way, who put into the speaker's ear the demagogic nonsense that the bill would "force Hispanics to wear a tag around the neck." Added Mr. O'Neill, "Hitler did this to the Jews, you know."

Well, now listen to this, says the speaker: he buried the bill to keep President Reagan from vetoing it later in order to reap Hispanic support for the GOP in 1984. But the administration supported the version that passed the Senate (for the second time) last May, 76-18. It has voiced misgivings about some elements added in committee in the House, but there appear to be no solid grounds for the expectation of a veto. It is Mr. O'Neill who is most evidently playing politics.

Alone among nations, the United States lets its borders be violated and its immigration law mocked. It is incredible that our Congress should be content to let this situation continue indefinitely. The Simpson-Mazzoli bill represents a fastidious effort, respectful of a broad range of interests in American society, to bring immigration under what any other country would regard as minimal control.

The White House can help retrieve the bill by removing the wisps of ambivalence in its position which Mr. O'Neill uses as cover. But the main responsibility for allowing Congress to do this piece of essential national business falls on the speaker.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. COCHRAN). The minority leader is recognized.

Mr. BYRD. Mr. President, if I may proceed, how much time do I have?

The PRESIDING OFFICER. The Democratic leader has 13 minutes.

Mr. BYRD. Has the majority leader used all his time?

Mr. BAKER. The majority leader yielded to the minority leader his remaining time, which is 3 minutes.

Mr. BYRD. Which means I have what?

The PRESIDING OFFICER. Thirteen minutes.

S. 1925—THE NATIONAL COAL SCIENCE, TECHNOLOGY, AND ENGINEERING DEVELOPMENT ACT

Mr. BYRD. Mr. President, today I am introducing "The National Coal Science, Technology, and Engineering Development Act," the purpose of which is to establish a 5-year program to accelerate the development of new and advanced technologies to allow for the expanded use of coal in an environmentally acceptable manner.

When Congress established the Office of Coal Research 22 years ago in 1961, we acknowledged the significance of coal to the Nation's energy future. We also recognized at that time the need for research and development in coal technologies to expand and improve coal utilization. That was an effort in which I am proud to have taken a lead role. It was almost 13 years before the OPEC oil embargo and the subsequent rediscovery of coal as an important part of the Nation's energy future.

Late last month, a subcommittee of the House Science and Technology Committee heard testimony which echoed the hopes of earlier decades. "There is no shortage of opportunities to improve the efficiency, reliability, and environmental performance of coal combustion," said Dr. Kurt Yeager, of the Electric Power Research Institute. We need "a more constructive and coordinated partnership between Government and the private sector," Dr. Yeager testified. "This encompasses the planning and implementation of R&D as well as the commercial transfer of results."

There is a renewed interest emerging in coal research and development. This interest has been sparked by the heated public debate over the causes and consequences of acidic deposition in the Northeastern United States. Much of the debate has focused on coal-fired powerplants in the Midwest and Appalachian regions, due to the role of coal-fired powerplants in the emission of sulfur dioxide. It is estimated that such powerplants emit a little more than half of the manmade sulfur dioxide and about one-fourth of the manmade nitrogen oxides. These emissions, it has been asserted by some, travel hundreds of miles from the Midwest and Appalachia, are transformed into sulfates and nitrates, and are then deposited in the Northeast in both wet and dry form.

In the course of this debate, in which there is considerable disagreement within the scientific community, several legislative proposals have emerged which call for significant reductions in sulfur dioxide and nitrogen

oxides emission, largely from coal-fired powerplants in the Midwest and Appalachia. Reductions on the order of 50 percent from 1980 levels have been proposed. Such reductions are in addition to those already achieved since the passage of the Clean Air Act.

Mr. President, my position on this issue is well-known. I am the sponsor of the Acidic Deposition Mitigation and Research Act of 1983 (S. 454), which calls for an acceleration of the scientific work of the Interagency Task Force on Acid Precipitation, and provides for measures to alleviate the effects of high acidity on sensitive aquatic ecosystems. The point is, we simply do not have an adequate scientific understanding of acidic deposition to launch an expensive new emissions control program, the environmental benefits of which are far from assured. The benefits are highly speculative and may not be realized at all. Under the auspices of the interagency task force, an extensive research program is underway which addresses the major areas of scientific uncertainty with respect to the causes and environmental consequences of acidic deposition. It seems abundantly clear to me and to many of my colleagues that this is a reasonable approach to a very complex problem.

However, let me say that I am also convinced that a more comprehensive effort on all aspects of acidic deposition is desirable. The efforts of the task force will result in scientific data which should guide us in making the crucial decisions on the need, extent, and appropriate timing for any program to address the problem of acidic deposition. To complement this effort, we urgently need an accelerated coal R&D program to address the technological challenges raised by the acid rain debate. There must be a Federal commitment to develop, in a timely manner, a variety of advanced coal technologies representing more efficient and economically attractive alternatives to current technology.

Unfortunately, we have not acted with sufficient conviction in the past to develop that variety of technological options which would enable us to use coal in an environmentally acceptable manner. Improvements have been made in combustion efficiency; but the range of options for controlling or eliminating emissions from coal combustion remains expensive, unreliable, and very limited.

I have two major concerns with respect to the current state of technology for using coal in an environmentally acceptable manner. The first concern is based on the economic costs, and other problems, of flue gas desulfurization as the dominant approach to controlling emissions from coal combustion. Proposals for addressing the problem of acidic deposition are aimed at controlling emissions from older powerplants whose emissions are subject to State controls rather than the new source performance standards.

In my State of West Virginia there are five such plants which generate about 8,400 megawatts of electricity—almost 57 percent of the total generating capacity in my State—and consume about 19 million tons of coal per year. This is about 68 percent of total West Virginia utility coal consumption. If these plants had to retrofit "scrubbers" to control their emissions, the capital costs would be from about $640 million to about $1 billion, depending upon the level of scrubbing required.

The other option available for controlling emissions from these plants would be to switch to low sulfur coal. While the capital costs of such an approach are far lower than the use of FGD, fuel switching will cause massive unemployment in the high-sulfur, coal-producing counties of northern West Virginia.

My concern, then, is that we are in a situation where the available options for achieving any emission reduction requirements of an acid deposition control program will either be very expensive, or will cause unemployment in the high sulfur coal regions.

My second concern is related to the issue of acidic deposition. It is based upon the recognition that the environmental ethic is important to the American people. Unless we can develop a wide range of cost-effective technological options which will efficiently control or eliminate coal combustion emissions, future coal use will be constrained.

Mr. President, we should not be pursuing policies which will render large segments of the Nation's coal reserves unmarketable. We should be pursuing policies which will enable us to maximize the potential of our coal reserves while meeting the Nation's environmental goals.

The legislation I am introducing today addresses both these concerns. The National Coal Science, Technology and Engineering Development Act adds another dimension to the ongoing scientific research program of the Interagency Task Force on Acid Precipitation. It complements that effort by addressing the technological challenges raised by the acid rain issue.

However, as I have indicated, my bill also addresses the broader challenge of promoting the expanded use of coal within the framework of the Nation's environmental policies. My bill does not create an entirely new program of research and development. It recognizes the efforts which have been underway in the Department of Energy's fossil energy program for a number of years. My bill builds upon and accelerates relevant ongoing activities in the Department of Energy's coal program. It refocuses and integrates such efforts, and concentrates resources for the achievement of specific objectives within 5 years. Most importantly, my bill recognizes that any accelerated program of coal research and development must have a broad base of support. It must involve the university community and the private sector in addition to the scientific and technical resources available through the energy technology centers and the national laboratories.

My bill has the following major elements:

First. It establishes a 5-year program to accelerate the development of a range of technologies to allow the use of coal in an environmentally acceptable manner. The program would focus on three areas:

COAL SCIENCE

This would involve a comprehensive effort to understand coal structure and process chemistry. Of particular concern would be an understanding of how pollutants are bound in coal molecules and how they can be removed efficiently and effectively.

PROCESS SCIENCE AND TECHNOLOGY

This would involve a comprehensive research program to develop new and advanced technologies for coal preparation, precombustion cleanup of flue gases, and post combustion cleanup. It would also develop advanced utilization processes, such as fluidized bed combustion, fuel cells, and diesel engines and gas turbines that use coal.

ENGINEERING DEVELOPMENT

This would be a broadly based effort carried out in conjunction with the private sector. The program would be directed to establish proof-of-concept and produce, within 5 years, processes and coal systems at a scale large enough to permit ready commercialization by the private sector. This effort would involve significant cost-sharing between the Federal and non-Federal participants. It would concentrate on such technologies and approaches to emissions control as advanced coal cleaning, atmospheric and pressurized fluidized bed combustion, advanced flue gas desulfurization technologies, and SO2 and NOX removal systems.

Second. The bill would establish a leadership role for the Federal Government by which the Department of Energy would work through the energy technology centers, and research contracts with industry and universities, to accelerate the development of advanced and improved coal combustion technologies.

Third. The Assistant Secretary for Fossil Energy would be responsible for administering the program.

Fourth. It requires the preparation of a 5-year research plan which would be submitted to the President and the appropriate committees of the Con-

gress. The 5-year plan would show how the program is to achieve the objectives of the act.

Fifth. My bill provides an authorization for funding for the program for the program over a 5-year period at a level of $775 million.

Mr. President, I think this is a reasonable approach to maximizing the potential of the Nation's vast coal reserves while achieving our environmental goals. I urge my colleagues who are supporting the increased use of coal in an environmentally acceptable manner to join as cosponsors of this legislation, and as in morning business I offer my bill and ask that it be appropriately referred, and that it be printed in the RECORD.

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

The text of the bill follows:

S. 1925

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Coal Science, Technology, and Engineering Development Act of 1983".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress makes the following findings:

(1) There is significant potential for the vast domestic coal resources of the United States to play an increasingly important role in the Nation's energy future.

(2) Increased coal use is dependent upon establishing a foundation in coal science which is the basis for all activites leading to process and engineering development and the commercial application of advanced technologies and systems that are consistent with the Nation's environmental goals.

(3) An inadequate foundation in coal science, process science, and engineering development is limiting current efforts to exploit the Nation's vast coal resources.

(4) There must be an accelerated and focused effort to develop and introduce into the marketplace improved and advanced technologies that limit the emissions of sulfur dioxide, nitrogen dioxides, and particulate matter which result from coal combustion. Such efforts must include a broad range of technology options that include pre- and post-combustion treatment, along with combustion modifications, and new and improved combustion technologies to limit sulfur and nitrogen oxide emissions. Waste solid and liquid treatment and disposal must be considered in these technologies to avoid negative environmental impacts.

(5) Current environmental control capabilities must be improved by reducing capital and operating costs and preserving and improving the overall availability of coal fired powerplants.

(6) Changes in the domestic economy and changes in environmental requirements, coupled with rapid changes in the supply and price of oil and gas resources, have created significant economic disincentives which preclude the private sector from sustaining a stable, long-term research and development program that will enhance expanded coal use. In recent years, both private and Federal support for coal-related research and development has declined substantially, which, if allowed to continue, could limit the future availability of coal which can be utilized in an environmentally acceptable manner.

(7) Coal research and development programs in universities and industry tend to focus on the short-term due to the lack of adequate funding, and tend to be focused on projects with a near-term payback. As a consequence, these efforts generally do not include the more extensive longer-term research necessary to develop significant technological improvements or break-throughs which can enhance the utilization of the Nation's vast coal reserves in an environmentally acceptable manner.

(8) The current thrust of the on-going Federal coal research and development program is too diverse and is not directed to establishing proof-of-concept of new and advanced technologies and systems at an engineering-scale size in a timely fashion. This has constrained the timely transfer of technology which, in turn, has constrained the expanded use of coal.

(9) A credible and productive Federal coal research and development program must be defined and sustained for many years. Such a program must be adequately funded, insulated from short-term political and market fluctuations, must be sufficiently broad in scope to produce results, and must be executed in cooperation with both the university community and the private sector.

(10) It is in the national interest for the Federal Government, through it energy technology centers, and research contracts with industry and universities, to play a leadership role in accelerating coal science, technology and engineering development, and to accelerate the development of ore efficient and cost-effective conventional and advanced coal combustion and emission control technologies.

(b) The purposes of this Act are to—

(1) promote and significantly expand the use of the full range of the coal resources of the Nation in an environmentally acceptable manner by accelerating research and development in basic coal science and the development and commercial application of more efficient and cost-effective coal utilization technologies and systems; and

(2) expand federally sponsored research and development, in a manner that permits a comprehensive, totally integrated, and clearly focused coal research and development program to be implemented in cooperation with the university community and the private sector by establishing a National Coal Science, Technology and Engineering Development Program.

ESTABLISHMENT OF PROGRAM

SEC. 3. (a) The Secretary of Energy is authorized and directed to carry out a National Coal Science, Technology, and Engineering Development Program as provided in this Act. The program shall be administered by the Assistant Secretary for Fossil Energy.

(b) The National Coal Science, Technology, and Engineering Development Program shall consist of three research and development programs—

(1) the Coal Science Research Program as provided in section 4;

(2) the Process Science and Engineering Research Program as provided in section 5; and

(3) the Engineering Development Program as provided in section 6.

COAL SCIENCE RESEARCH PROGRAM

SEC. 4. (a) The purpose of the Coal Science Research Program shall be to conduct research, for all coal ranks, that seeks an in-depth understanding of coal structure and process chemistry. The program shall be directed toward the understanding of how pollutant species are bound in the coal molecule and how such species can be efficiently and effectively removed.

(b) The Coal Science Research Program shall be—

(1) carried out through the Energy Technology Centers, the National Laboratories, the university community, and the private sector; and

(2) administered by the Assistant Secretary for Fossil Energy.

PROCESS SCIENCE AND ENGINEERING RESEARCH PROGRAM

SEC. 5. (a) The purpose of the Process Science and Engineering Research Program shall be to conduct research, applicable to all coal ranks, in the following areas:

(1) COAL PREPARATION.—Development of new processes that pulverized coal to extremely fine particles and remove ash, pyritic, and organic sulfur to levels consistent with environmental and equipment uses.

(2) SPECIFICATION FUELS.—Development of ready-to-use and fully characterized transportable coal fuels (e.g., coal mixtures) that are suitable for use in various equipment such as boilers and combustion engines. These fuels are to be economically competitive with oil and gas.

(3) PRECOMBUSTION CLEANUP.—Development of new and improved technologies that can clean coal-derived gaseous and liquid fuels prior to use, particularly gas streams at high temperatures, and remove deleterious materials that create pollutants or adversely impact equipment usage. Such technologies shall include necessary supporting analytical and control equipment.

(4) POSTCOMBUSTION CLEANUP.—Development of new and improved processes that will remove sulfur, nitrogen, and ash constituents that result in deleterious emissions. Emphasis shall be given to those processes that are regenerable and will reduce the quantity and improve the quality of disposable by product associated with sulfur dioxide scrubbing systems. This effort shall include improvements in state-of-the-art scrubbers to increase system availability and reduce costs. Emphasis shall also be given to processes that can reduce nitrogen oxide emissions and capture particulates.

(5) UTILIZATION PROCESSES.—Improvement modification, and development of new processes and equipment that will permit utilization of coal or coal-derived fuel such that pollutant formation and release is well below environmental limits, and the resulting integrated system is cost-competitive both in terms of capital costs and operational costs. Technologies to be pursued include—

(A) direct combustion of coal for process heat and steam;

(B) atmospheric and pressurized fluidized-bed combustion;

(C) fuel cells;

(D) diesel engines; and

(E) gas turbines.

(6) INSTRUMENTATION AND CONTROL.—Reduction of system operating costs and improvement of system availability by developing new sensors and control systems that will enhance the commercial application of coal utilization technologies and systems.

(7) SUPPORTING RESEARCH AND DEVELOPMENT.—Characterization of the various liquids and solid wastes generated by the use of coal, and development of processes that will assure the disposal of such wastes in an

environmentally acceptable manner. Development of processes that facilitate the cost-effective recovery of raw materials from coal utilization wastes. Materials research shall be conducted to ensure that advanced process concepts can be supported with available engineering materials.

(b) The Coal Science Research Program shall be—

(1) carried out through the Energy Technology Centers, the National Laboratories, the university community, and the private sector; and

(2) administered by the Assistant Secretary for Fossil Energy.

ENGINEERING DEVELOPMENT PROGRAM

SEC. 6. (a) The purpose of the Engineering Development Program shall be to establish proof-of-concept and producing developed processes and coal systems at a scale large enough to permit ready commercialization by the private sector. The program shall be structured and implemented to achieve the following objectives within five years of enactment of this Act:

(1) construct a fine coal preparation and cleaning process facility of no more than 500 tons per day (the facility should be constructed in such fashion as to allow the addition of advanced chemical coal cleaning);

(2) retrofit an oil-fired boiler of at least 100 MWe (Megawatts electricity) using deeply cleaned coal;

(3) demonstrate a regenerable flue gas desulfurization system of at least 50 MWe;

(4) demonstrate a combined SOX (sulfur dioxide)/NOX (nitrogen oxides) removal system of at least 50 MWe;

(5) conduct a furnace retrofit of in-boiler sulfur control technology of at least 50 MWe;

(6) demonstate an atmospheric fluidized-bed combustion system of at least 100 MWe;

(7) demonstrate a repowering application of a pressurized fluidized bed combustor of from 50 to 100 MWe;

(8) demonstrate a repowering application of combined cycle coal gasification of from 50 to 100 MWe;

(9) develop and test a coal-fueled gas turbine in a second generation combined-cycle system of at least 50 MWe;

(10) develop and test an industrial-scale coal-fueled gas turbine suitable for industrial cogeneration of at least 5 MWe; and

(11) test a utility phosphoric acid fuel cell system using coal-derived gas at a size of 10 to 50 MWe.

(b) The Engineering Development Program shall be administered by the Assistant Secretary for Fossil Energy. The program shall be structured and implemented such that there are sufficient incentives to attract private sector participation. Funds appropriated for the program shall be available on a cost-sharing basis between the Federal Government and non-Federal participants in the program.

FIVE-YEAR PLAN

SEC. 7. (a) As a part of the National Coal Science, Technology, and Engineering Development Program the Secretary of Energy, with the cooperation of the Assistant Secretary for Fossil Energy, shall prepare a five year National Coal Science, Technology, shall prepare a five year National Coal Science, Technology, and Engineering Development Research Plan. The plan shall include—

(1) identification and definition of the near- and mid-term opportunities for expanding the use of coal in the industrial, electric utility, and other sectors of the economy;

(2) a detailed description of the specific activities which have been, or will be, developed by the Department of Energy to address these opportunities and carry out the mandates of this Act;

(3) a statement and explanation of specific priorities and objectives, timetables for achieving such objectives, and a research strategy for achieving such objectives and the mandates of this Act; and

(4) A detailed description of the resource requirements for the implementation of the plan, and a description of the manner in which those resources will be deployed.

(b) The plan shall be submitted by the Secretary of Energy to the President and the appropriate committees of the Congress within six months of enactment of this Act.

ANNUAL AND FINAL REPORTS

SEC. 8. (a) At the end of each of the five fiscal years after the date of enactment of this Act, the Secretary of Energy shall submit an annual report to the President and the appropriate committees of the Congress. The report shall include a detailed description of the program and activities undertaken for that fiscal year, and the achievements and progress toward the objectives defined in the 5-year plan pursuant to this Act.

(b) Within 90 days of the end of the fifth fiscal year after the date of enactment of this Act, the Secretary of Energy shall submit to the President and the appropriate committees of the Congress a report identifying the achievements of the program, and identifying and defining further research needs and opportunites for promoting the expanded use of coal.

AUTHORIZATIONS

SEC. 9. (a) There is authorized to be appropriated for the Coal Science Research Program, $75,000,000 to be available for the fiscal years 1985 through 1989.

(b) There is authorized to be appropriated for the Process Science and Engineering Research Program, $200,000,000 to be available for the fiscal years 1985 through 1989.

(c) There is authorized to be appropriated for the Engineering Development Program, $500,000,000 to be available for the fiscal years 1985 through 1989.

The PRESIDING OFFICER. The Democratic leader still has over a minute of time remaining.

Mr. BYRD. I thank the Chair. I yield, if I may yield, that to the distinguished Senator who already has an order.

RECOGNITION OF SENATOR COHEN

The PRESIDING OFFICER. Under the previous order, the Senator from Maine is recognized for not to exceed 16 minutes.

REAUTHORIZATION OF THE OFFICE OF FEDERAL PROCUREMENT POLICY

Mr. COHEN. Mr. President, I rise this morning to bring to the attention of my colleagues what I consider to be a serious setback for procurement reform.

Last week—4 days before the authorization for the Office of Federal Procurement Policy was to expire—the Department of Defense prevailed upon some to block floor consideration of the reauthorizing legislation. The Department's 11th-hour attack against the OFPP has succeeded in jeopardizing the very existence of this worthwhile office. While the OFPP is funded for the next 45 days under the continuing resolution, its authorization has now expired, and it may be closed for good if the Department has its way.

Most of my colleagues are probably unfamiliar with the OFPP and the crucial role it plays in promoting reforms in the way our Government purchases goods and services. The OFPP is a small office of only 40 people with a budget of $2.5 million and part of the Executive Office of the President, the OFPP was established by Congress in 1974 to provide overall direction of Federal procurement policy. It serves as a link among the private sector, the Congress, and the executive branch in the continuing effort to improve Federal contracting procedures.

Why has the Department of Defense aimed its guns at this small office? Because the Department believes that it should be strictly accountable for its procurement policies.

In its own estimation, DOD's record is "ninety-nine and forty-four one-hundredths percent pure," and therefore, it has no need to abide by any Government-wide procurement reforms. According to more objective sources, however, there is much room for improvement.

Recent horror stories on DOD spare parts procurement—in which a 4-cent diode cost $110 and a 12-foot measuring tape cost $430—exemplify this point. Many small businesses are willing and able to bid on spare parts for major DOD systems, but are precluded from doing so by the DOD's noncompetitive procurement practices.

Despite the statutory requirement that agencies promote the use of full and free competition in the procurement of goods and services, sole-source contracting is the rule at DOD, not exception. In fiscal 1982, DOD awarded more than 60 percent of its contract dollars noncompetitively.

DOD's justification for going sole-source in a majority of these contract awards was simply that "competition is impracticable." Oftentimes DOD's need to award a contract by the end of the fiscal year becomes the motivation behind unnecessarily restrictive specifications that subsequently render competition impracticable.

This apparently was the case during the last day of this fiscal year when the Defense Department awarded 234 contracts—worth a remarkable $4.2 billion. This classic example of hurry-up spending, in which agencies rush to spend all their available funds at the end of the fiscal year for fear of not

receiving full funding the next year, represented the largest single-day defense expenditure since American fighting in Vietnam was ended. It is my understanding that the majority of these contracts were awarded once again noncompetitively.

The OFPP has tried to curb wasteful year-end spending. In 1981, the Office issued a policy directive outlining specific steps for all agencies to take to prevent hurry-up spending. The directive included several recommendations made by the Governmental Affairs Oversight Subcommittee as a result of its extensive hearings on unnecessary year-end buying. Evidently, the Department of Defense has chosen to ignore OFPP's directive.

This is not the first time that DOD has failed to comply with a Government-wide directive. In fact, the Department of Defense has repeatedly tried to sabotage the OFPP's procurement reform efforts. It is no secret that the DOD fought the creation of the Office in 1974, tried unsuccessfully to persuade the administration to abandon the reauthorization this year, and will always oppose the existence of a central procurement policy office committed to reform.

What makes this battle of the OFPP and the Pentagon significant is the potential savings at stake. The Federal Government spent more than half of its discretionary budget last fiscal year on the direct purchase of goods and services from the private sector. I am convinced that significant economies can be realized through the effective implementation of procurement reforms, particularly in the DOD, which comprises approximately 80 percent of the Federal procurement budget. The Congressional Budget Office found, for example, that the increased use of competition in contracting would save over $2 billion annually.

Without a strong OFPP to serve as a catalyst for procurement reform, however, these savings will never be realized. The individual procuring agencies have not been, and cannot be expected to be, a meaningful source of procurement reform. Their energies must of necessity be channeled to make procurement decisions on a day-to-day basis. In contrast, the OFPP has a Government-wide perspective, insulated from parochial interests. The OFPP is able to synthesize the interests of all the individual procurement agencies, the Congress, and the vendor community.

Given DOD's resistance, however, procurement reform has proved to be tantamount to the task facing Sisyphus as he pushed the rock uphill, never to reach the top. The late Senator Scoop Jackson, whose knowledge of the Department of Defense was unsurpassed, had the perseverance in the 1960's to battle the Department and at least get the stone rolling. Senator Jackson was the author of the legislation establishing the Commission on Government Procurement, which first recommended the creation of a central procurement policy office.

The Commission based its recommendation on the rationale that "effective management of the procurement process requires a high degree of direction and control of basic policy."

The Commission saw an urgent need for a central policy office—independent of any agency having procurement responsibility, empowered with directive rather than merely advisory authority, responsive to Congress, and consisting of a small, highly competent cadre of seasoned procurement experts.

Senator Jackson supported the Commission's work, stating:

> The time has come for a close, hard look at the statutes, regulations, procedures, and practices governing Federal procurement. There are loopholes in the laws, inconsistencies in the regulations, conflicts in the procedures, and variations in the practices. The mountain of procurement paperwork grows taller, the maze of procedures more complicated with each passing day.

Unfortunately, Senator Jackson's statement still rings true. The need for reform is today even greater than when he made his statement years ago. During the past decade, the dollar value of Government contracts has nearly tripled to $160 billion, and more than 130,000 Federal employees are now involved in the procurement process. The magnitude and budgetary significance of Federal contracting, plus the lack of progress in reforming the system, mandate the existence of a strong procurement policy office.

The legislation that I have introduced would not only reauthorize the OFPP, but strengthen the Office by restoring its regulatory authority over Government-wide procurement policies. Without regulatory authority, the Administrator is not considered a credible actor in the formulation of Government-wide policy. Lester Fettig, a former OFPP Administrator, testified during the Oversight Subcommittee's April hearing why this authority is needed. He said:

> Without that directive authority in statute behind the Administrator, even the most mundane chores are difficult. Effectively spearheading a particular reform simply could not be done without it. Why? Because there would be no clout, no threat, that OFPP could do anything but accede to the lowest common denominator of agency recalcitrance. The Administrator's kit of bureaucratic tools, in the end, would be devoid of any wrench big enough to give him or her the necessary leverage.

Let me be clear on what "regulatory authority" means. If DOD, NASA, and GSA are successful in maintaining the Federal Acquisition Regulation, OFPP's regulatory authority would not be used. It would remain a club in the closet, only to be brought out when there is conflict between the regulation-writing agencies, or as is more common, when agencies refuse to take action on a procurement reform. If, however, the agencies fail to agree or act on a Government-wide procurement issue, the OFPP could issue the regulation.

Uniformity in Federal procurement procedures is a highly desirable goal. While some agency-specific regulations will always be necessary, basic contracting procedures should not vary widely from agency to agency. For a small contractor trying to do business with the Federal Government the bewildering maze of procurement regulations is the major obstacle. The new FAR system (Federal Acquisition Regulation) is a giant leap forward in simplifying, streamlining, and consolidating procurement regulations. But, as the General Accounting Office points out, regulatory authority for the OFPP is necessary to prevent the FAR from crumbling.

The Department of Defense has raised the specter of an OFPP wildly out of control, issuing regulations that would jeopardize our national security. This argument ignores the facts and the safeguards contained in my bill.

The OFPP is not an independent regulatory agency that can issue regulations at will. It is part of the Executive Office of the President; its Administrator is appointed by the President, confirmed by the Senate, and answers to the Director of the Office of Management and Budget as well as to the President and Congress.

It is a small office that relies heavily on interagency task forces—frequently staffed by DOD officials—to develop a consensus on Federal procurement policies.

It cannot interfere with any procurement regulation which the Department of Defense determines is necessary because of its unique needs. The OFPP's role is limited to regulations which are Government-wide in application.

It cannot interfere with any agency's decision on a specific contract. The Office could not dictate to the Department of Defense which paper clip or weapon system it should purchase.

My legislation contains another safeguard against the OFPP abusing its regulatory power. The bill requires the OFPP to submit any major policy or regulation to the Senate Governmental Affairs Committee and the House Government Operations Committee 30 days prior to its effective date. I have offered to broaden this reporting language to permit the Senate and House Armed Services Committee to also review proposed OFPP regulations. This mechanism would permit Congress to block any ill-conceived Government-wide regulation before it went into effect.

Despite these safeguards against abuse, the Defense Department still opposes the restoration of regulatory authority and has gone to great lengths to kill the bill. I have even been advised that DOD officials have told defense contractors that supporting regulatory authority for the OFPP would jeopardize their future relationship with the Department. The DOD's attempts to torpedo this legislation represent one of the most pernicious subversions of the legislative process that I have ever encountered. If OFPP is killed, I intend to lay its corpse at the Department of Defense, whose shortsighted turf battles have continually impeded efforts to reform the procurement process.

The reauthorization of the OFPP, with regulatory authority, enjoys widespread support. S. 1001 was reported unanimously by the Governmental Affairs Committee, and is cosponsored by Senators ROTH, CHILES, DANFORTH, LEVIN, BINGAMAN, and SASSER. The bill has been strongly endorsed by the General Accounting Office, the U.S. Chamber of Commerce, the American Bar Association, the three former Administrators of the OFPP, former members of the Commission on Government Procurement, and several contracting associations.

I ask unanimous consent that letters from these organizations and persons be included in the RECORD following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. COHEN. Mr. President, I hope that my colleagues will support procurement reform by backing the OFPP reauthorization. I am pleased to yield at this point in time to a leader in the procurement reform effort, Senator CHILES, of Florida.

EXHIBIT 1

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., September 30, 1983.

Hon. WILLIAM S. COHEN,
Chairman, Subcommittee on Oversight of Government Management, Committee on Governmental Affairs, U.S. Senate.

DEAR MR. CHAIRMAN: I am writing to express our support for the continued authorization of the Office of Federal Procurement Policy.

We at the General Accounting Office have made many reviews of the Government's procurement activities and have worked closely with OFPP since it was established. From our experience and perspective, we feel that OFPP has made significant progress in improving the Government's procurement processes. It would be unfortunate for the Office to expire just when its efforts hold considerable promise for yet further improvements.

I know you have been supportive of the OFPP and I hope you will continue to lend this strong support to the continued authorization of the OFPP. Letters similar to this have been provided to other interested Members of Congress.

Sincerely,

CHARLES A. BOWSHER,
Comptroller General of the United States.

AMERICAN BAR ASSOCIATION,
October 4, 1983.

Hon. WILLIAM S. COHEN,
Chairman, Subcommittee on Oversight of Government Management, Committee on Governmental Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On behalf of the American Bar Association, I am writing to express strong support for S. 1001, legislation to extend the Office of Federal Procurement Policy (OFPP) for an additional 5 years.

S. 1001 restores to the OFPP essential statutory functions in the establishment of policies, regulations, procedures, and forms that conform to and enhance good procurement practices by all agencies of the Executive Branch. We believe the restoration of OFPP's regulatory authority is an important step in the continuing efforts to improve the federal procurement process.

The ABA endorsed the establishment of OFPP by Congress in 1974. We testified earlier this year in support of S. 1001, as did the General Accounting Office and most witnesses representing organizations that do contract business with the government. ABA believes the OFPP is a valuable and needed asset in the continuing effort to reform and improve the federal procurement process.

We are hopeful that after extensive hearings by the Oversight of Government Management Subcommittee of the Governmental Affairs Committee, and the issuance of a favorable report by the full Committee (No. 98-214), S. 1001 can be placed on the agenda for prompt Senate action. It is particularly important that the Senate act on this bill in order to assure there is a focal point for addressing procurement reforms. The House already has passed a similar bill, H.R. 2293.

Prompt action by the Senate, and resolution of the differences between the two bills, will provide needed assurance of Congress' commitment to simplifying the federal procurement system and increasing the use of competitive procurement procedures.

Sincerely,

ROBERT D. EVANS.

CHAMBER OF COMMERCE
OF THE UNITED STATES,
Washington, D.C., October 3, 1983.

Hon. WILLIAM S. COHEN,
Chairman, Subcommittee on Oversight of Government Management, Committee on Governmental Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On behalf of the U.S. Chamber, which is composed of more than 207,000 members, I am writing to express support for S. 1001, "Office of Federal Procurement Policy Act Amendments of 1983." This legislation would reauthorize, for five years, the Office of Federal Procurement Policy (OFPP), which has played a vital role in improving procurement. Further, it has served as a single contact point for the business community on procurement issues within the Executive branch.

The chamber is the largest federation of business and professional organizations in the world, and is the principal spokesman for the American business community. More than 90 percent of the Chamber's members are small business firms having fewer than 100 employees. Yet, virtually all the nation's largest industrial and business concerns are also members. We are particularly cognizant of the problems of small businesses, as well as issues facing the entire business community.

We strongly endorse reinstating the regulatory authority of OFPP as provided in section 5 of S. 1001. This would enhance OFPP's ability to lead the various government agencies in developing procurement policy.

In 1969, Congress created the Commission on Government Procurement to study all aspects of procurement by the federal government, and to make recommendations for increasing economy, effectiveness and efficiency in the procurement of goods and services. This Commission submitted its final report in 1972, recommending that an Office of Federal Procurement Policy be established to provide uniform direction for procurement by all federal agencies. In response to this recommendation, Congress passed the Office of Federal Procurement Policy Act (P.L. 93-400) in 1974, establishing OFPP in the Office of Management and Budget. OFPP was reauthorized for four years in 1979 and has continued to seek improvements in the federal procurement process.

OFPP has served as a focal point for the development of procurement policy, and as the motivating force for development of a uniform Federal Acquisition Regulation (FAR), issued recently. FAR will provide, for the first time, a uniform system of procurement regulations for all agencies, which will be supplemented only with essential additional agency provisions. It is, therefore, particularly imperative that OFPP be reauthorized and that its regulatory authority be restored.

Thank you for your consideration of our views.

Cordially,

HILTON DAVIS.

AMERICAN ELECTRONICS ASSOCIATION,
Washington, D.C., October 5, 1983.

Hon. WILLIAM S. COHEN,
Chairman, Subcommittee on Oversight of Government Management, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: The American Electronics Association strongly endorses S. 1001 as reported by the Senate Governmental Affairs Committee, and its House counterpart measure, H.R. 2293. In particular, AEA believes that it is essential that the Office of Federal Procurement Policy (OFPP) be given regulatory authority to implement government-wide procurement policy and to resolve inter-agency disputes.

AEA represents over 2,300 member companies nationwide, and over 450 financial, legal and accounting organizations which participate as associate members. AEA encompasses all segments of the electronics industry, including manufacturers and suppliers of computers and peripherals, semiconductors and other components, telecommunications equipment, defense systems and products, instruments, software, research, and office systems. The AEA membership includes companies of all sizes from "startups" to the largest companies in the industry, but the largest number (80%) are small companies employing fewer than 200 employees. Together, our members account for 63 percent of the worldwide sales of the U.S. based electronics industry.

As you are aware, President Reagan signed Executive Order 12352 on March 17, 1982 to provide a uniform, more efficient procurement system government-wide. Among the directives included in that Executive Order was a provision "to provide broad policy guidance and overall leadership" to the OFPP. Since the issuance of the Federal Acquisition Regulations (FAR), it is more important than ever that the need for such leadership and guidance be recognized. Further, it is essential that this leadership be centralized and apply to all federal agencies. In other words, OFPP already is established with the mandate to oversee government-wide procurement policy. It now needs the authority to ensure implementation of such policy.

The Department of Defense maintains that providing regulatory authority to OFPP infringes on its independence. It also maintains that it can conduct its own procurement reforms without the need for outside oversight. However, as the House Government Operations Committee notes in its report on H.R. 2293, "the Department has little to show for its efforts and has proved incapable of reforming its own procurement activities." That report goes on to state that the Council on Economic Priorities cited the Pentagon for "fail[ing] to correct the most persistent causes of cost growth: lack of competition in contract awards; contracting practices that reward cost maximization; simultaneous design and manufacture, or 'concurrency'; disorganized program management and decision-making . . ."

OFPP initially had regulatory authority under its original 1974 authorization. This authority was taken away, largely as a result of efforts by the Pentagon. AEA believes that OFPP's regulatory authority should be reinstated, especially since the issuance of the FAR. Without authority to ensure implementation of government-wide procurement policies and to resolve differences among government agencies, OFPP could issue all the high-minded policies it wants. But it would only be blowing smoke.

The Office of Management and Budget itself has tacitly recognized this paradox when it resorted to using the regulatory authority vested in the Office of Information and Regulatory Affairs (OIRA) in ensuring the issuance of the FAR.

In conclusion, there is no reason to believe that the nature of OFPP's activities would change if its regulatory authority were reinstated. It is and should be only capable of issuing general guidance. This is what it did from 1974 until 1979, when its regulatory authority was taken away. However, without providing OFPP with regulatory authority, there is no reason to believe that the FAR or any other government-wide procurement policy will be able to be is anything but a meaningless paper exercise.

Sincerely,

KENNETH C. O. HAGERTY,
Vice President, Government Operations.

NATIONAL COUNCIL
OF TECHNICAL SERVICE INDUSTRIES,
Washington, D.C., October 3, 1983.

Hon. WILLIAM S. COHEN,
Chairman, Subcommittee on Oversight of Government Management, Committee on Governmental Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The National Council of Technical Service Industries (NCTSI) appreciates your efforts to improve procurement practices of the Government, and supports your bill, S. 1001, on the reauthorization of the Office of Federal Procurement Policy (OFPP). The OFPP offers a forum in which the issues of Federal procurement can be addressed and a point of responsibility within the Government where procurement problems receive a knowledgeable hearing. While the performance of OFPP over the past nine years can best be described as mixed, and certainly not favorable from the viewpoint of the private sector, we need it as the sole Federal office concerned with procurement.

The regulatory authority which OFPP had during the period 1974-1979 certainly needs to be reauthorized. This requirement is emphasized by the general disregard Executive agencies have shown for the Office of Management and Budget (OMB) Circular A-76 requirement to prepare a detailed schedule for the review of each commercial and industrial activity and to conduct such reviews within three years. Although the Defense Department and the National Oceanic and Atmospheric Administration have conducted some reviews, no agency is even close to compliance.

You are also to be commended for your request to the Controller General to look into the progress on procurement reform under Executive Order 12352. The same general disregard has been shown for this Order as for OMB Circular A-76. While regulatory authority for OFPP theoretically may not be needed to insure implementation of OMB Circular A-76 and E.O. 12352, the record of compliance to date suggests such authority is needed.

Overseeing the procurement of commercial goods and services is a Governmental function which requires great skill and managerial ability. The proposed Federal Procurement System and revised Federal Acquisition Regulations require the OFPP for successful implementation.

Your bill, S. 1001, is needed. We support you and wish you success in getting it passed.

Sincerely,

GEORGE A. DAOUST, Jr.,
Executive Director.

CORPORATIONS CURRENTLY MEMBERS OF THE NATIONAL COUNCIL OF TECHNICAL SERVICE INDUSTRIES

ARA Services, Inc.
Boeing Computer Services Company.
Boeing Services International, Inc.
Burns & Roe Services Corporation.
Calculon Corporation.
Cerberonics, Inc.
Chemfix Technologies, Inc.
Computer Sciences Corporation.
Comsis Corporation.
Control Data Corporation.
Federal Electric Corporation—A Subsidiary of International Telephone and Telegraph Corporation.
Hughes Aircraft Company.
Kentron International, Inc.
Lear Siegler, Inc.
Lockheed Corporation.
Northrop Services, Inc.
Northrop Worldwide Services, Inc.
Raytheon Service Company—A Subsidiary of Raytheon Corporation.
RCA Service Company—A Division of RCA.
Rural Metro Fire, Inc.
United Information Services, Inc.
Vinnell Corporation.

PROFESSIONAL SERVICES COUNCIL,
Washington, D.C., October 3, 1983.

To: Members of the U.S. Senate.
From: Virginia Littlejohn, Executive Director.
Subject: Reauthorization of the Office of Federal Procurement Policy (OFPP).

The Professional Services Council is a trade association of professional and technical services firms and associations, representing small and large businesses, with a common interest in improving the Federal government's methods of procuring professional services.

PSC strongly endorses S. 1001, reauthorizing the Office of Federal Procurement Policy (OFPP), as well as reinstating its regulatory authority as provided in Section V of S. 1001.

A meaningful OFPP will serve as a focal point for the development of procurement policy and play a vital role in simplifying and improving federal procurement policy.

We urge your support and assistance on the reauthorization of OFPP. Thank you.

THE INTERNATIONAL
COMMUNICATIONS
INDUSTRIES ASSOCIATION,
Fairfax, Va., October 4, 1983.

Hon. WILLIAM S. COHEN,
Committee on Governmental Affairs, Chairman, Subcommittee on Oversight of Government Management, Hart Senate Office Building, Washington, D.C.

DEAR CHAIRMAN COHEN: On behalf of the International Communications Industries Association, I am pleased to convey to the Senate our support for S. 1001 as reported (Senate Report 98-214, September 1, 1983).

We have dealt with the Office of Federal Procurement Policy since it was created and we continue to feel that the OFPP serves a useful public purpose and should not be abolished or diminished in any way.

As the National Audio-Visual Association, we supported the creation of OFPP in the early 1970's. It was our view at that time that General Services Administration and the Department of Defense operated far too independently making it difficult for companies selling identical products and services through two different procurement systems. While progress has been made by OFPP, there still remains much to be done.

Prior to OFPP, there was no point in the Executive Branch beyond those two agencies where outside organizations such as ours could bring issues to a focus and find resolution of public policy problems. Usually, we were forced to take our problems to Congress.

It is difficult to imagine the Office of Management and Budget containing the word "Management" in its title without clear regulatory authority in the multi-billion dollar procurement policy area. S. 1001, as reported, provides the correct measure of regulation and management authority for OFPP.

Therefore, we strongly recommend that the Senate adopt S. 1001. We feel confident that in doing so the Senate will be assuring itself that most procurement policy differences among agencies are ironed out before these problems are referred to Congress.

We appreciate your leadership on S. 1001 and we look forward to seeing this bill, with regulatory authority for OFPP, passed by the Senate in the near future.

Warmest regards.

Sincerely,

KENTON PATTIE,
Senior Staff Vice President.

COMPUTER AND
BUSINESS EQUIPMENT
MANUFACTURERS ASSOCIATION,
Washington, D.C., October 5, 1983.

Hon. WILLIAM S. COHEN,
Dirksen Senate Office Building,
U.S. Senate, Washington, D.C.

DEAR SENATOR COHEN: The Computer and Business Equipment Manufacturers Association (CBEMA) would like to re-state its support for your legislation, S. 1001, to reauthorize the Office of Federal Procurement Policy.

We feel that the reauthorization of OFPP is a matter of great importance to the Government's procurement process. CBEMA has for some time actively supported OFPP. In addition to responding to your letter dated April 7, 1983, we presented a statement in support of reauthorization before the Senate Subcommittee on Federal Spending Practices and Open Government on March 9, 1979, and provided detailed comments to OFPP's Proposal for a Uniform Federal Procurement System submitted by OFPP to the Congress on December 9, 1981.

In our letter to you dated April 22, 1983 we stated that we were in support of the reauthorization of OFPP for an additional five years. We arrived at that number because we firmly believe that at least five years is necessary to implement and maintain any well conceived changes to the procurement process. Additionally, we stated in our letter than we believe it is necessary that OFPP be given directive authority. We maintain that the office should be granted strong positive authority. However, you will recall that the issue of directive vs. regulatory authority was addressed and clarified by you and Senator Chiles during your hearings on April 27, 1983. During that exchange, it was decided that by the use of the term directive authority, what is essentially desired is regulatory authority. For the record, we would like to join you in strongly recommending that OFPP be granted regulatory authority.

The need for OFPP to have regulatory authority is clear. OFPP has been unable to successfully propose a single statute uniform procurement system, implement a single set of Federal Acquisition Regulations, and it was unable to maintain fixed timeframes in revising and publishing the FARs. Because of this lack of strong authority Federal procurement management has become indecisive and fragmented. There is an obvious need for a strong procurement office which is what OFPP was intended to be.

CBEMA appreciates your efforts to improve the Federal procurement system. If we can be of any additional assistance please feel free to call upon us.

Very truly yours,

VICO E. HENRIQUES,
President.

NATIONAL ASSOCIATION OF
PHOTOGRAPHIC MANUFACTURERS, INC.,
Harrison, N.Y., October 5, 1983.

Hon. WILLIAM S. COHEN,
Chairman, Subcommittee on Oversight of Government Management, Committee on Governmental Affairs, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR COHEN: The National Association of Photographic Manufacturers (NAPM) is a voluntary association composed of companies engaged in manufacturing photographic products. Membership in the Association is open to both domestic and nondomestic manufacturers. Shipments by domestic NAPM member companies account for over 90 percent of all photographic products manufactured in this country on a dollar basis and represents a broad cross section of the products of the photographic industry.

While the majority of photographic products are sold into the private sector, a large number of agencies of the Federal government purchase a wide variety of photographic equipment, sensitized materials and chemicals that are manufactured by our member companies. It is because of this government procurement activity that we are writing you in support of S. 1001, which, if enacted, would reauthorize the Office of Federal Procurement Policy (OFPP).

Our support for this legislation which you sponsored is based upon several factors, not the least of which is an assessment of the past performance of OFPP in providing overall direction of procurement policies and procedures by government agencies. It is our opinion that, in this regard, OFPP has proven its value many times over in eliminating confusion and reducing variations between agencies to the mutual benefit of the government and private industry.

With the current emphasis on maximizing the return on government spending and with government procurement activity measured in billions of dollars, it appears to us that the reauthorization of OFPP would well prove to be an investment worth many times its relatively small budget.

We also believe that it only makes good sense that there be an independent group within the Office of Management and Budget with a charter directed at coordinating and improving the economy, efficiency and effectiveness of the procurement processess by providing this overall direction in the form of policies and regulations to the various agencies as they establish their procurement policies. In this regard, we believe it is important that OFPP have regulatory authority as was the case prior to 1979.

We strongly support your efforts and appreciate the opportunity to express our views in that regard. We would be pleased to elaborate should you deem it desirable.

Sincerely,

JOSEPH T. MORRIS,
Executive Vice President.

RECOGNITION OF SENATOR CHILES

The PRESIDING OFFICER. Without objection, the Senator from Florida may speak out of sequence.

Under the previous order, the Senator from Florida is recognized for 15 minutes.

REAUTHORIZATION OF THE OFFICE OF FEDERAL PROCUREMENT POLICY

Mr. CHILES. Mr. President, I want to join with Senator COHEN in his remarks on S. 1001, the Office of Federal Procurement Policy's reauthorization.

The Senator has made two basic sets of points. First, he brought to the Senate's attention that a duly considered and reported bill by the Committee on Governmental Affairs has been blocked from consideration on the Senate floor by the chairman of the Armed Services Committee, who was prevailed upon by the Defense Department. That came 4 days before the existing authorization expired.

It is a procedural observation that the Senator makes which has plenty of precedents in this body. Such "holds" are not uncommon. I do feel compelled to note however, that while I have high regard for the sophistication of the Defense Department's legislative activities, this maneuver was a little less than subtle.

The Senator and the Committee on Governmental Affairs have done their homework on this bill. I genuinely doubt that the Department will bring forth any "new" arguments that are not already on the record. So, on the procedural point, I want to express my view and appeal to my colleagues that this bill is entitled to consideration by the full Senate. There are Senators capable of speaking on either their own initiative or on behalf of the Defense Department, that may want to offer amendments or vote in opposition. That is fair. But the Senator from Maine is entitled to have his bill considered here in the Capitol, not killed across the river in the Pentagon.

Second, the Senator discussed the merits of the Office of Federal Procurement policy. Why should that small White House shop next to the President be reauthorized?

Let me add some historical perspective to help clarify the substantive issue about which the Defense Department is so concerned. I can assure my colleagues that reauthorization of a strong OFPP does not present a threat to our national security. The head of the Office is appointed by the President, confirmed by the Senate, and is housed with the Director of OMB. Failure to reauthorize OFPP however, does preclude an opportunity to bring about Government-wide management savings in what is now some $160 billion a year the Government spends buying goods and services. Every 1 percent that is over a billion and a half dollars—I believe you are talking about a potential 5- to 10-percent range of savings with a strong, viable Office of Federal Procurement Policy.

Back in 1974, I sponsored the legislation which originally created OFPP. The idea for a small but strong central manager for what was then a $60 billion procurement policy ball game grew out of a recommendation from the Federal Procurement Commission. The Commission was created by a law in 1969 which was sponsored here in the Senate by Scoop Jackson.

The Procurement Commission concluded in 1972 that there was a need to raise the visibility of the procurement function both within agencies

and in the White House, or the problems associated with different procurement practices, duplicative regulations, and each agency going its own way would get worse and more expensive. The regulatory and paperwork maze facing the business person who wanted to do business with the Government was wasteful and worked to discourage competition and small business participation.

The OFPP was put next to the budget process in OMB and given regulatory authority by Congress so it could excerise clout and resolve the turf wars that inevitably occur in large bureaucracies. You are going to have disputes between Defense and Labor, on such things as labor surplus and Davis-Bacon interpretations, between Defense and the Small Business Administration on small business participation, between Commerce and Defense on such things as patent law interpretations. I should add other agencies are not fond of OFPP either for similar reasons. But what often happens in these policy battles is that nobody makes a decision. A wasteful vacuum is created. Everybody keeps going their own way. That is why the Congress gave OFPP regulatory authority in 1974. The idea was to get these bureaucratic fights resolved, or, alternatively, raise their visibility so they could be focused upon by the Congress and/or the President.

I sponsored the 1979 reauthorization of OFPP as well. Then the House view that regulatory authority was not needed prevailed. Thereafter, OFPP was basically ignored by the agencies and was not able to accomplish a more limited mission of developing an executive branch consensus for a uniform procurement statute proposal to Congress.

That experience was persuasive. Without the regulatory authority, OFPP is not a credible interagency coordinator. This year the House has passed a companion reauthorization bill and regulatory authority is in it. It is in the bill Senator COHEN has reported. Neither in 1974 nor 1979 did the Armed Services Committees of either House obtain a referral of this legislation. It was not obtained in the House this session.

The Department of Defense opposes the regulatory authority. Put simply, that is why we have not, as yet, considered this legislation on the Senate floor. They opposed it in 1974; they opposed it in 1979; and they tried to get the administration to abandon reauthorization efforts this Congress.

The reasons on each occasion have been very similar. The DOD is going to resist OFPP because, among other things, OFPP is a congressional creature that facilitates and encourages more congressional oversight. I agree with that, even if the oversight comes from committees other than Armed Services, and I think it is a good thing, not a bad.

It is a little bit like the Inspector General Act we passed in 1978. None of the agencies wanted an Inspector General that had to report to Congress as well as their own Secretary. DOD successfully resisted then, and they are not very happy with the weaker kind of Inspector General they have now. But I think what is going on over there is helping to focus the Congress attention on where it should be—not hurting.

Second, Defense does not like someone who might be as close to the President as they are—particularly when you get down to the day-to-day Assistant Secretary issues—to be able to force a decision and arbitrate. Again, OFPP tends to have an overall perspective, more like the President's than a functional agency perspective. When it comes to the issue of whether or not what is good for the Government as a whole is good for DOD, the Department of Defense wants to decide that by itself. I believe a system that is more likely to give the President and the Congress a role is a better idea. The more sunshine to these decisions, the better.

This is an "institutional" point of view on the Department's part. Deputy Secretary Paul Thayer reflects this view today. But were he still presiding at the Chamber of Commerce as he was before he enterd the Defense Department, he would probably be as supportive as that organization is of this legislation. Apart from the taxpayer, it is the businessperson who is interested in selling to the Government that suffers the most from the fragmentation and inconsistency that exists in Federal procurement. Keep in mind that many do not even bother to try to do business with the Government.

When that many do not bother to try, there is no competition and that means the Government has to pay more for its goods and services.

Mr. President, there is that saying "the more things change, the more they are the same." That is kind of what I feel when you look at the situation Senator COHEN and I are trying to bring to our colleagues attention today.

I am not interested in knocking the Defense Department just for the sake of it. But I have experienced this issue before and I think the merits are on the side of reauthorizing a strong OFPP. I think, too, we should recognize the Department's agenda, and not let it deter us from considering this legislation before the full Senate on the floor.

Thank you.

Mr. HUDDLESTON. Will the Senator yield?

Mr. CHILES. I yield.

Mr. HUDDLESTON. If the Senator has finished that subject, would he yield to me the time he has remaining on his special order?

Mr. CHILES. I so yield.

The PRESIDING OFFICER. The Senator from Kentucky.

IMMIGRATION REFORM

Mr. HUDDLESTON. Mr. President, already this morning the action by the Speaker of the House (Mr. O'NEILL) in setting aside for this session of Congress the immigration bill has been referred to by both the majority leader of the Senate and the distinguished minority leader (Mr. BYRD).

Senator BYRD suggested that in view of the fact that this body has already passed that particular legislation twice by substantial margins, and that there is a need for immigration reform in this country, we ought to seek ways of either reenacting that legislation and sending it back to the House, or possibly—and I support this endeavor—finding some House-passed measure that is of particular significance and adding to it that piece of legislation.

As one who has for a number of years been closely involved in trying to develop a reasonable program of immigration reform, I was shocked by the arbitrary and ill-advised action of the Speaker of the House, and particularly some of the statements he made in justifying the actions that he took.

I do not know where he heard the phrase that the particular legislation under question would "force Hispanics to wear a tag around the neck," and likening that to the actions of Adolf Hitler against the Jews.

If that ill-informed statement were not beneath the dignity of the Speaker to utter, it is beneath the dignity of this Senator to comment on any further, except to say that it does belie a total lack of understanding about what the bill does and what it is intended to do.

The Speaker also said that he could find no constituency for that particular bill.

The Speaker is dead wrong.

Mr. CHILES. Will the Senator yield at that point?

Mr. HUDDLESTON. I yield.

Mr. CHILES. The Senator has been the leader over many years in trying to bring to the attention of the Senate and the country the need for an immigration policy. He only continues today something that he has been doing for many, many years. I share his disappointments. I just wanted to comment on one point of the constituency, that there is no constituency for the bill.

The Speaker needs to come to my State if he says there is no constituency for this bill. He does. We welcome

him there. He comes to our State sometimes.

I can assure the Speaker, and certainly the Senator from Kentucky knows from his own experience, that in Florida, having suffered the ravishes of what happens because of our failure to have an immigration policy and the hardships and the other problems that we have suffered, there is a constituency that is sort of equal to the 10.5 million people who are in our State now in the feeling that any sovereign nation needs to have an immigration policy and needs to be able to decide or elect to decide who comes to their State. There is certainly constituency in my State.

I must say I also believe as the Senator has said, that we need to find an appropriate vehicle to give the House a chance to be able to consider this bill. I share that sentiment.

Mr. HUDDLESTON. I thank the distinguished Senator from Florida.

What the Speaker apparently is not aware of, is that recently reliable professional polling has taken place on this issue. The result is that a vast majority of the Hispanics in this country and the blacks in this country support the immigration reform that would control illegal entry into the United States and provide sanctions for those who knowingly hire illegals.

It is reasonable that they do, because they are the ones who are suffering and being disadvantaged because of unlimited illegal entries into the United States.

What the Speaker said was that he was taking this action at the behest of the Hispanic Members of the House of Representatives. What he has done, then, is placate a minority of a minority, which does not represent the majority of that particular minority and certainly does not represent the other minorities that are in this country.

I find it even more incredible that the Speaker admitted that this was done as a political maneuver on his part. That indicates that he will not permit this legislation to come up during the entire remainder of this Congress, which means not only the rest of 1983, but all of 1984.

Mr. President, I call attention to the fact that hundreds of people within the Congress—Members of the Senate, Members of the House—and representatives of various organizations outside the Congress, have worked now for a number of years to reach the point of developing a reasonable and acceptable piece of legislation to reform our immigration policies. I think the Speaker has done a great disservice to all of those people, certainly a great disservice to Members of the Senate such as Senator SIMPSON of Wyoming, the chairman of the Immigration Subcommittee, who has labored so long and so hard on this complex issue, and Representative MAZZOLI, with like responsibilities on the House side. I think the Speaker's action is a great disservice to the Congress itself, because it arbitrarily set aside what has been so laboriously put together over a long period of time. His precipitate actions does not take into account the foregoing effort and the need for the legislation.

He said it was political. In my judgment, he has done a disservice to the Democratic Party, because there is a constituency out there that recognizes the need for immigration reform. Perhaps most importantly, he has done a great disservice to the people of the United States of America.

Less than 2 weeks ago, Mr. President, new figures were in about the actions of our Immigration Service along our borders and already this year, a recordbreaking 1 million apprehensions have been made of illegals coming across the border. We all know that, historically, there is about one apprehension for each two or three that come through, so I think we can generally agree that probably already this year, 2 million illegal aliens have come into the United States. The illegal alien problem is growing and growing at great proportions at a time when we have a large number of unemployed in this country. Now is not the time to be backing away from a bill that offers at least a partial solution—none of us thinks it is perfect—to these particular problems.

Mr. President, I ask unanimous consent that I may have printed in the RECORD at this point a letter I have sent to the Honorable THOMAS P. O'NEILL, Speaker of the House of Representatives, asking him to reconsider his position, and to the President of the United States, relating to this matter.

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

U.S. SENATE,
Washington, D.C., October 5, 1983.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: At the present time, there are press reports that the Speaker of the House of Representatives has decided not to call up the immigration reform and control bill because he believes you intend to veto it for political purposes.

I am greatly disappointed by this action and have written to the Speaker asking that he reconsider this decision. As a member of the Senate who has worked for immigration reform since 1975, I believe that this legislation is urgently needed and of vital importance to the United States.

Because of the importance of this legislation to the nation, I strongly believe that partisan politics should be put aside. This is why I cooperated with Senator Simpson to pass the legislation twice in the Senate. Even though I do not completely agree with the content of the bill passed by the Senate, it is the closest we have come to solving this serious problem. Without it we will continue to have little or no control of our borders.

I strongly urge you to express your strong support of this legislative effort in order to remove any doubt that may exist as to your intentions. Without this clear and open support from you, this vital piece of legislation will not be brought before the House.

Sincerely,

WALTER D. HUDDLESTON.

U.S. SENATE,
Washington, D.C., October 5, 1983.

Hon. THOMAS P. O'NEILL,
Speaker of the House,
Capitol Building, Washington, D.C.

DEAR MR. SPEAKER: I was extremely disappointed to learn that you have made the decision not to call up the immigration reform bill in the House. As a loyal Democrat who has worked for immigration reform in the Senate for many years, I strongly urge you to reconsider this decision.

I have been actively involved in the immigration issue since 1975 and I can assure you that unless we pass the long overdue legislation it will be minorities, the unemployed, and low income individuals who will suffer the consequences. It is these people, whom the Democratic party also is pledged to represent who must compete with an ever increasing flow of illegal aliens into the United States.

I agree that the bill is not perfect but it in no way represents a danger to the rights of minorities, as some representatives of special interests allege. I am enclosing a copy of a statement and poll which I placed in the Congressional Record on August 2, 1983. This poll revealed that "substantial majorities of both Hispanics and blacks favor proposals to curb illegal immigration by having penalties and fines for employers who hire illegal aliens."

I am also writing to President Reagan urging him to make clear his support of the bill. If the President wishes to play politics, as you suggest he will, with legislation which is obviously in the nation's best interest, then it is the President who should and will have to bear the burden of doing so.

Thousands of hours have been devoted to the development of this legislation. Distinguished members of Congress such as Senator Simpson and Congressman Mazzoli have joined with other fair and unbiased members of both parties to draft it. To deny them the opportunity to present their work to the House does them a great disservice.

I urge you to let the immigration reform bill stand or fall on its own merits and not to let a few individuals use it as a way of magnifying their own political influence.

Sincerely,

WALTER D. HUDDLESTON.

Mr. HUDDLESTON. Mr. President, I yield back the floor.

RECOGNITION OF SENATOR PRYOR

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

Mr. PRYOR. I thank the Chair.

A GOOD JOB WELL DONE

Mr. PRYOR. Mr. President, I want to comment briefly on the statements of the Senator from Maine (Mr. COHEN) and the Senator from Florida

(Mr. CHILES) about the reauthorization of the Office of Federal Procurement Policy.

I commend them for their efforts to improve the Federal procurement system. I wish this morning to pledge my support to my colleagues to try to move forward with that legislation.

The Department of Defense should not be allowed to veto procurement reform that is in the interest of taxpayers. We in the Congress need to go forward and we will, I am sure, have the support of people across the country.

I would like once again to commend these two very valuable colleagues and friends, who have been so active in this particular arena.

A PROGRAM THAT WORKED

Mr. PRYOR. Mr. President, this morning, I would like to talk for a few minutes about something that is discussed so seldom on the floor of the Senate. I would like to talk about a program that works. We hear always about programs that do not work. A discussion of this program is highlighted by the fact that last Friday night, the Federal Government's fiscal year ended. It is, therefore, an opportune time to look back at the successes and failures we experienced in programs last year. Unquestionably, one of the major achievements of the year was the funding and providing of assistance to meet the Nation's emergency food and shelter needs.

As my colleagues will recall, the jobs bill enacted earlier this year contained two provisions totaling $100 million to provide emergency food and shelter. One of the programs provided for grants to the States to be administered under the community services block grant formula. The other program was to be administered by a national board consisting of the following:

The United Way of America, the Salvation Army, the National Conference of Catholic Charities, the National Council of Churches, the Council of Jewish Federations, the American Red Cross, and the Federal Emergency Management Agency. In addition, there were local boards involved in areas designated to receive funds.

I want to discuss the second program this morning. In my opinion, this program was a triumph of voluntarism, a success story of public and private-sector cooperation.

As one of the principal sponsors of this legislation proposal late last year and again early this year, I am especially pleased with its success and I commend those who made it possible. In the Senate, my colleagues, the distinguished Senators from Pennsylvania (Mr. SPECTER); from New York (Mr. MOYNIHAN); from Michigan (Mr. LEVIN); from New Mexico (Mr. BINGAMAN); from Tennessee (Mr. SASSER); and especially the distinguished chairman of the Appropriations Committee (Mr. HATFIELD), worked to secure its approval. I also commend the House leadership, and especially Representative WHITTEN, Representative CONTE, and Representative BOLAND.

More important to its success have been the board members and the volunteers who have turned legislative action into food and shelter for hungry, homeless people. The voluntary organizations, their staffs, FEMA staff, and volunteers in communities across the country made this idea a reality. It is truly an inspiring story that needs to be told.

When the program was proposed, some questions understandably arose such as: How many meals and rooms would be provided? Could administrative costs be restrained? Would there be widespread fraud or waste?

The answers are very impressive, Mr. President.

First, some 33 million meals were served and more than 2.2 million nights of lodging were provided, all within 6 months. Those are conservative estimates and truly remarkable achievements.

Second, administrative costs were waived by the national board, board organizations, the fiscal agent—the United Way of America—and by most local boards. United Way estimates that it absorbed costs of at least $250,000.

In effect, Mr. President, the administrative costs of administering some 33 million meals and providing 2.2 million nights of lodging have been almost zero.

The legislation allowed for administrative costs of 2 percent of $1 million. Even if the administrative costs had been paid and utilized, they would have totaled less than 1 percent. The efficiency and hard work donated deserve the thanks of the Congress and the American public. In short, these dollars went for food and shelter, not administrative costs.

In addition, during the time period involved, from April to September of this year, United Way itself absorbed some 6,000 staff hours as well as the $250,000 in costs it expended. FEMA devoted one full-time staff member to the project and absorbed all mailing costs involved. The national board administering the program held approximately 20 meetings on voluntary time.

Other figures resulting from the project are equally impressive. For instance, 961 civil jurisdictions received awards covering 57 percent of the Nation's unemployed. According to local board plans, awards totaling $50,790,000—including the $790,000 earned as interest on the grant funds—are making possible the 33 million additional meals and 2.2 million additional nights of lodging for the homeless.

Mr. President, over the time period covered, some 3,600 private voluntary organizations received funds. I think the speed and efficiency with which this disbursal was handled is also impressive. Award notices went out on May 9, and the first checks were cut on May 27. A month later, some $41 million had been spent, and by August 28, all allotments had been completed. At a time when bureaucracies are criticized for slow work, this program offers a model of responsiveness and quick action.

The board also established a fraud alert system to assure that these funds were not used improperly. Mr. President, once again, the system worked. The small number of problems were identified and appropriate action was immediately taken.

One major benefit of the emergency food and shelter program is that the board concept provided organizations an unusual opportunity to work together. Cooperation was not only possible, it was encouraged, and it became the rule of the day. The success rate of these varying and different boards is very high, resulting in stronger links between social service providers and a better review of community needs.

Another fringe benefit is that the program brought together Government and private agencies in a way that has far-reaching and important consequences. The positive alliances have already affected communities across America outside of food and shelter distribution.

I especially want to commend FEMA for its leadership in gathering information, reviewing it, calling together meetings, and encouraging agreement. At the same time, final decisions were made at the local level within a loose framework of regulations. Allocations were all made locally, as they should have been, and this has surely strengthened the effect of the program.

There are thousands of inspiring stories of innovative, dedicated work by committed local people all across this country. One story concerns a program in a rural area of the South where the local board wanted to use some of its funds to equip their bus with a generator so that meals could be kept on the bus and delivered to people all over the county. Since such equipment was outside the guidelines, a waiver was needed. With a letter from the program head and telephone meeting of the national board, the waiver was granted. This story demonstrates not only creative ideas at the local level, but also the repsonsiveness of the national officials and the absolute absence of redtape.

Time and again, local Red Cross chapters, ministerial associations, food

banks, Traveler's Aid societies, veterans' organizations, YWCA and YWCA branches, senior citizen organizations, community centers and other organizations have stepped forward to serve local needs in a local crisis situation. This is one more of those great stories about our country.

Mr. President, because of the remarkable success of this effort and the dedication of these participants, I intend to introduce a resolution after the recess to commend these organizations which have participated in this most successful program. I hope that my colleagues will join me in honoring these fine organizations and their members for a job well done and for their unselfish and humanitarian efforts.

Finally, Mr. President, following the recess next week, it is my plan to also propose new legislation to meet new needs. The emergency situation is not over, and the hard, cold winter once again lies ahead. This program is not meant to be a permanent program. None of the participants involved want to make it permanent. However, we must prepare today for the cold, hunger, and loneliness in the coming months, and the food and shelter that will be needed. I hope that my colleagues in the Senate, as well as the House, will respond affirmatively.

Mr. President, in closing, we can be proud of these efforts made in the past 6 months, and I am very hopeful that we will be ready for the continuing challenges that we face.

It is true, as I have stated before, that this program was a triumph of voluntarism across our country and it is a prime example of the Government and private interests working together. We hear of those programs that fail, of those programs that miss the target, where fraud becomes the rule rather than the exception, and costs of administration consume huge parts of those dollars that should be utilized for human needs. Mr. President, I thought it would be appropriate on this occasion to bring to the attention of my colleagues a program that works and that must continue to work in serving these human needs in the future.

Mr. President, I ask unanimous consent that the names and organizations of the national board members be printed in the RECORD. These are the individuals who gave so unselfishly of their time and talents and who would be honored in our commendation resolution which will be before the Senate hopefully in the coming weeks.

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

NATIONAL BOARD MEMBERS

Chair: Dennis Kwiatkowski, Chief, Individual Assistance Division, Federal Emergency Management Agency.

Brother Joseph Berg, Associate Director for Special Programs, National Conference of Catholic Charities.

Enso V. Bighinatti, Assistant to the President, American Red Cross.

Dr. Lisle Carter, Attorney-at-Law, 1660 L Street, NW.

James Hamilton, Director, Washington Office, National Council of Churches of Christ in the U.S.A.

Lt. Col. Ernest A. Miller, Director, National Public Affairs Office, Salvation Army.

Mark Talisman, Director, Washington ACTION Office, Council of Jewish Federations.

Staff: Robert M. Beggan, Senior Vice President, United Way of America; Karen Keefer, Disaster Program Specialist, Federal Emergency Management Agency.

RECOGNITION OF SENATOR LEAHY

The PRESIDING OFFICER (Mr. DANFORTH). Under the previous order, the Senator from Vermont is recognized for 15 minutes.

NATIONAL MUSEUM FOR THE U.S. ARMY

Mr. LEAHY. Mr. President, my distinguished colleague from Virginia (Mr. WARNER) and I are introducing a concurrent resolution expressing the support of Congress for the establishment of a National Museum of the U.S. Army.

The U.S. Army, since its creation over 200 years ago in the fires of the struggle for national independence, has made inestimable contributions to our national heritage. Its story is the story of our Nation, of millions of men and women, from every walk of life, who have given of themselves in their country's name. These individuals deserve our highest respect for the sacrifices they have made. The heritage they have created and inspired should be displayed for future generations of Americans.

Yet the U.S. Army is the only branch of our Armed Forces which does not have its own national historical museum. Of the leading powers in the world today, only the United States does not have a museum housing the records and memorabilia of its Army. In the past, a national museum was thought unnecessary because of the existence of the military halls of the Smithsonian Institution and the installation museums of the Army Museum System. This is no longer true. The Smithsonian has acknowledged its inability to devote adequate attention to the Army story. Each of the Army's installations can tell only a part of the whole story. We feel, then, that a national facility is required.

This year in May, a private organization, the Army Historical Foundation was formed. One of its central objectives is to raise funds for the construction of a facility to house a National Museum of the U.S. Army. Under the direction of retired Gen. E. C. Meyer, former Army Chief of Staff, the Foundation plans to meet the cost of the museum entirely through private donations. These will come primarily from veterans organizations. I ask unanimous consent that a letter from General Meyer describing the purposes of the Army Historical Foundation, and urging adoption of our concurrent resolution of support, be included in the RECORD at the conclusion of my remarks.

This planned museum will tell the story of the U.S. Army in peace and war. It will exhibit a selection of artifacts and works of art; provide a center for the study of the Army; and be a forum for the education, edification, and inspiration of members of the Armed Forces, the public, and those who seek knowledge about the history of the Army. It will bring to the American people a greater awareness of the part this institution has played in shaping their heritage. The national museum will not compete with Army installations museums, duplicate their missions, or interfere with their programs by removing pertinent objects; nor will it cater to a special branch, unit, personality, or group of the Army.

The museum will be located in the Washington, D.C. area. The proximity of the Smithsonian Institution, the National Archives, the Library of Congress, and many other museums will complement the museum as a serious research facility. Additionally, the high rate of visitors to the Nation's capital will make the museum available to the domestic and foreign visitor and to the many military personnel living in and visiting Washington. The projected size of the museum is approximately 100,000 square feet. This will provide a facility that will be able to house a museum, art gallery, supporting storage, and administrative facilities.

Mr. President, I am indeed proud to introduce this resolution, and I urge its speedy adoption as a signal of strong congressional support and approval for the concept of an Army museum.

Mr. President, I ask unanimous consent that a letter from General Meyer describing the purposes of the Foundation be printed in the RECORD.

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

ARMY HISTORICAL FOUNDATION,
Washington, D.C.

Hon. PATRICK LEAHY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR LEAHY: I wish to express the appreciation of the members of the Army Historical Foundation for your support for the idea of a National Museum for the United States Army. As you have so visibly indicated by your willingness to sponsor

legislation emphasizing congressional support for the museum, it is an idea whose time has come, if not long overdue. In seeking this legislation, it is not the Foundation's desire to seek a commitment to provide funding but to gain the sense of Congress toward this undertaking as we begin our fund raising program.

As you may know, the Army Historical Foundation is a non-stock charitable corporation the purposes for which include programs that will promote a deeper understanding of the historical contributions of the U.S. Army and its members to American society. Among several such projects that we anticipate undertaking, our premier activity is the raising of funds to support the building of a National Museum for the United States Army. It is our belief that this museum will provide a most significant monument to that historical contribution. The location of the museum in the Nation's Capital will place it appropriately along with the historical structures that Americans view as the heritage of our birth, growth, and fruition as a nation. Its attraction will be significant to all of those who have served their country in the United States Army and to their friends, neighbors, and loved ones.

As you pursue this legislative effort, if I may answer any questions or provide further information please contact me. Once again your sponsorship of this legislation is greatly appreciated.

Sincerely,

E. C. MEYER,
President, Army Historical Foundation.

Mr. LEAHY. Mr. President, I ask that the resolution be appropriately referred.

The PRESIDING OFFICER. It will be received and appropriately referred.

The text of the concurrent resolution follows:

S. CON. RES. 75

Whereas, there is no National central repository for the military material culture of this Nation which has been forged through periods of peace and war by the patriotism, sacrifice, and ingenuity of the men and women of this Nation who have come from all walks of life and from diverse races, religions, and creeds; and

Whereas, the establishment of an historical museum will provide for the preservation of the spirit and heroism in telling a story of the United States Army that extends from the tragic tolls of the battlefields, from the frontiers of science and the wilderness, from the development of industry and medicine, and from the conquering of man's baser instincts to a negotiation of Nature's wrath unleashed; and

Whereas, the history of the United States Army cannot be separated from the history of a Nation and the Nation's Senior Service stands alone among the Armed Forces of the United States in not having a National museum to tell its story and among the armies of the leading powers of the World in not having a museum; and

Whereas, there is no central point of access to the United States Army's heritage for both the military and civilian populations and such access could tell, for the first time, the story of the United States Army in peace and war as well as be a forum for the education, inspiration, and edification of those persons seeking knowledge of the United States Army; and

Whereas; a National museum of the Army would be a museum not of war but of people from diverse parts of the country and diverse ethnic backgrounds, colors, and creeds who responded, when called to act for their Nation in its darkest hours, and who prevailed; and

Whereas, the National Museum of the United States Army would promote an interest in the understanding of the land forces of this Nation among the citizenry, soldier and civilian, present and future; it is hereby

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the Congress should encourage the historical preservation of the Nation's material culture and provide for the education of its citizens in the rich heritage that is theirs by the struggles of their forebears; that the Congress should recognize the contributions in both peace and war made to this heritage by the land service of this Nation; and that the Congress should encourage the establishment of the National Museum of the United States Army.

Mr. LEAHY. Mr. President, I yield to the distinguished Senator from Virginia. The museum will be located in his beautiful State, which is my part-time residence when Congress is in session.

Mr. WARNER. Mr. President, first, I inquire as to the parliamentary situation and the time that could be allocated to me and for a possible further comment by the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont has 12 minutes remaining.

Mr. WARNER. I thank the Chair.

Mr. President, I rise to express my total support for the resolution introduced today by the Senator from Vermont (Mr. LEAHY), which favors the creation of a National Museum of the U.S. Army.

The Nation's senior service is alone in not having a national museum. With the recently renovated U.S. Navy Museum joining the facilities of the U.S. Marine Corps Historical Center in Washington, and the U.S. Air Force's large complex in Dayton, it is only appropriate that the U.S. Army have a similar facility.

While serving as Secretary of the Navy, I took an active role in the establishment of the U.S. Marine Corps Museum at the Navy Yard here, where also located is a principal repository of Navy artifacts in the Navy Museum.

Not only is such a museum needed for those interested in learning more about the history of the Army, but it is also needed in order to provide for the proper storage and exhibition of the art collection and historical material from the Army's past.

The estimated $7 million required to build the museum, which would be located at Fort Myer, Va., would be raised from private sources by the Army Historical Foundation, a non-stock charitable corporation founded to promote the historical contributions of the U.S. Army.

This museum will tell the story of the U.S. Army in both times of peace and times of war. Through the collection and exhibition of representative examples of military material culture, the museum will illustrate and document the long, colorful history of the Army.

Although there are various halls in the Smithsonian set-aside for military history exhibits, they are insufficient to tell the entire history of the Army. A central national facility would be able to provide such a comprehensive display.

It is appropriate to build this new museum at Fort Myer, the Army's post in Arlington, since it is within minutes of some of our Nation's most revered monuments, and in centrally located for the benefit of the millions of tourists who visit the Nation's Capital each year.

Mr. President, I urge each of my colleagues to support this resolution. The U.S. Army has played a major role in the development of our Nation, and it is only fitting that the Congress indicate its support for such a museum.

Mr. LEAHY. Mr. President, I thank the distinguished Senator from Virginia. I am delighted to have him as a cosponsor of this resolution.

This should not be considered a partisan matter. We have tried to indicate the bipartisan nature of it, and we join in urging our colleagues on both sides of the aisle to support this resolution.

I also point out that a former Secretary of the Navy is supporting the museum for the Army; if that does not show that this is an idea whose time has come, I know of nothing else that can.

Mr. WARNER. Mr. President, I thank my distinguished colleague for his thoughtful remarks. He has taken the leadership in this matter. I urge my colleagues to express their appreciation to him for this initiative.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 12:30 p.m., with statements therein limited to 2 minutes each.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

LATEST REAGAN NUCLEAR ARMS CONTROL PROPOSALS ARE PROMISING

Mr. PROXMIRE. Mr. President, it appears possible that the Reagan administration has begun to make some arms control proposals that—if accepted by the Soviet Union might begin to provide some limit on the nuclear arms race. The proposals might also shift the nuclear arsenals of both superpowers toward less vulnerable and therefore less hair trigger and more stable systems. The new Reagan approach has been regarded as a sharp departure from past proposals and as such has reportedly been opposed by chief START negotiator, General Rowny, also by Kenneth Adelman, the Director of the Arms Control and Disarment Agency. Here is what it would do:

First, it would cut each side's missile warheads by about one-third to 5,000, plus a formula for reducing the Soviet advantage in missile throw-weight or megatonnage;

Second, it would apply this limit across the board so that the Russians could maintain a greater number of land-based missile warheads, and we could maintain a greater number of sea and air-based missile warheads, provided both sides reduced to 5,000 warheads overall;

Third, it would provide a variable formula for the so-called build-down designed to discourage the hair-trigger, immobile, MIRV'd land-based missiles like the MX and the lion's share of Russian missiles. Here is how it would accomplish this:

First, for every new fixed land-based missile warhead such as the MX, two old warheads would be destroyed;

Second, submarine-launched missile warheads, such as the new D–5 or Trident 2 missile would be converted on a 3 to 2 basis;

Third, mobile land-based missiles like the Midgetman would be on a 1-for-1 basis.

Mr. President, how useful and constructive are these latest proposals? Frankly, Mr. President, they can and should be improved, but to be fair they do represent remarkable progress, particularly coming from this administration. I have frequently attacked the so-called build-down proposal because as originally proposed I believe it would result in a definite build up. This latest proposal however is, indeed, different. Previous proposals would have driven both sides to an inevitable buildup for two reasons. First, the ongoing research programs of both superpowers could be counted on to keep the technology racing ahead to develop ever more devastating and lethal weapons, so sharply improved that one of the new weapons would be far more deadly than two or three of the old. Second, with the transition to new weapons left to the military forces of each superpower to act unilaterally within the trade off rules, neither superpower would substitute new weapons unless its military were convinced that the single new weapon would give a sharply better lethal kick than the two new weapons that had to be retired. So a buildup would be absolutely certain. Now some could ask how could the dilution of the 2 for 1 build-down idea to a 3 for 2 for submarine-launched nuclear warheads and the further dilution to an even-steven 1 for 1 no build-down, for mobile midgetman—how could this provide less nuclear killing power than the original formulation? Is not this latest build-down even weaker? No. It is not. Why not? Here is why not: The new proposal ties the build down into the reduction in warheads from roughly 7,500 down to 5,000. Also it would begin to put a limit on megatonnage and throwweight. If that warhead reduction is mandated then the build-down might, indeed, begin to reduce the lethal arsenal on both sides. And the incentives for retiring the hair-trigger land-based, heavily MIRV'd missiles and the move toward less vulnerable and more stable missiles adds an additional constructive dimension.

We cannot escape the grim fact, however, that this nuclear arms control proposal does not touch on the prime threat of a nuclear holocaust. These proposals make real progress against the relatively unlikely possibility that a super power nuclear war would break out with a planned, premeditated first strike by either superpower. The suicidal consequences make such a first strike unlikely. The proposal also makes a beginning toward reducing the possibilities of a nuclear war beginning from a more likely cause—a mistaken early warning. This is because the proposal would move us away from the hair-trigger launch warning type of weapons like the Russian land-based missiles and our MX. What the proposals fail to deal with is the most likely starting scenario for a nuclear world war which is that with nuclear technology encouraged to move ahead, these proposals would encourage exactly that on both sides, the technology will develop nuclear weapons that will fit the needs and capacity of many countries including such as Libya, Syria, Iran, Iraq, South Africa, and others. A nuclear war developing anywhere in the world would quickly spread and engulf all of us.

These latest proposals fail to meet this problem. To meet it we need two emphatic changes in policy. First, vigorous pursuit of negotiations to reduce the threshold for underground nuclear testing from 150 kilotons to a much lower figure; and second, a far more stringent antinuclear proliferation policy. Opposition to nuclear proliferation is the single area where the Soviet Union has pursued a more constructive and effective nuclear arms control policy than we have.

Mr. President, I ask unanimous consent to have printed in the RECORD, an article by Leslie Gelb in yesterday's New York Times that provided the basis for my statement.

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

ARMS TALKS: SHIFT BY U.S. NEW OFFER A RESPONSE TO CRITICISM AT HOME

(By Leslie H. Gelb)

WASHINGTON, Oct. 4.—President Reagan's new strategic arms proposal is widely seen here as a significant advance toward compromise with the Soviet Union, an advance that will make arms control policy a more difficult target for domestic critics.

In the proposal, which was formally announced today, Mr. Reagan met the main concerns of an influential group of legislators and arms specialists by agreeing to redesign the so-called build-down idea, which provides that the deployment of new warheads must be accompanied by the destruction of older ones.

Under the new proposal, more old warheads would be destroyed if a nation deployed fixed, land-based missiles than if it deployed sea-based or mobile land-based missiles. In that way modernization would be channeled toward less vulnerable and less threatening mobile systems.

In addition, the Administration moved to meet some of the Soviet Union's major demands by showing a willingness to reduce the number of bombers, and by putting lower limits on planned bombers that carry air-launched cruise missiles and on the highly accurate D-5 submarine-launched missile.

This does not mean that Administration officials think Moscow will respond eagerly or positively, or that major differences have been resolved. For the moment at least, they see Soviet leaders as ill disposed to deal with the Administration in the wake of the controversy over the shooting down of the South Korean airliner Sept. 1.

In recognition of this, officials said there was considerable sentiment in the Administration against making the new proposal to the Soviet delegation in Geneva at this time. Instead, some are suggesting a delay until the atmosphere improves, and perhaps until Secretary of State George P. Shultz could go to Moscow and present the ideas directly to Soviet leaders.

Nor does it mean that the Congressional critics and outside experts who helped fashion the new proposal believe their job is now done. In a move several legislators and outside experts described as having great importance, these elements succeeded in putting one of their own into the negotiating delegation, "to watch things," as one legislator put it.

NEW WORKING GROUP PLANNED

R. James Woolsey, an Under Secretary of the Navy in the Carter Administration and a member of the President's Commission on Strategic Forces, will join the delegation when talks resume in Geneva later this week. Further, according to officials, he is expected to become a member—if not the chairman—of a proposed new special working group to discuss the new build-down idea with the Russians.

This new group, which will operate parallel to the formal negotiations if Moscow agrees, is seen by a number of legislators and officials as a way of getting around Edward L. Rowny, the chief American negotiator, whom they see as an obstacle to a treaty.

Officials said that Mr. Rowny and Kenneth L. Adelman, the director of the Arms Control and Disarmament Agency, were the Administration's strongest opponents of the new proposals. They were said to have argued that the United States had already lost credibility by changing its negotiating position too many times under domestic pressure.

TWO-STAGE APPROACH SOUGHT

Officials said that State Department officials under Mr. Shultz argued that an almost wholly new approach at this time would only serve to confuse Soviet leaders and make agreement with Moscow more difficult. They argued instead for a two-stage approach: an expanded version of the unratified 1979 strategic arms treaty, followed by the build-down idea.

In the formal negotiations in Geneva, Mr. Rowny will be instructed to present a modified version of the existing proposal. That calls for a reduction in each side's missile warheads by about one-third to 5,000, plus a formula for closing the 3-to-1 Soviet advantage in missile throw weight, or payload.

Moscow wants to put a ceiling on all "nuclear charges," that is, missile warheads, bombs and air-launched cruise missiles, and does not want any payload limits.

SUBCEILING WOULD BE DROPPED

To make the new United States approach more attractive, Mr. Rowny is instructed to drop the subceiling of 2,500 land-based missile warheads within the overall 5,000-warhead limit. This would permit Moscow to keep more of its powerful land-based missiles.

At the same time, officials said, the Administration is prepared to reduce its strategic bomber fleet to below 400 and limit the number of cruise missiles carried by the bombers to 3,500 instead of the previously proposed 8,000.

In the proposed parallel talks to be conducted in a separate working group, Soviet and American negotiators would work on a "double" build-down approach—in numbers of missile warheads, bombers and cruise missiles, and in "destructive capacity," or missile and bomber payloads.

In this context, the Administration will suggest an annual cut of 5 percent in missile warheads or a reduction based on a build-down formula, whichever is greater.

Officials said these are the build-down proposals, which would be put on the table with some flexibility:

For every new fixed land-based missile warhead such as those on the MX, two old warheads would be destroyed;

Submarine-launched missile warheads, such as the new D-5 or Trident 2 missile, would be converted on a 3-to-2 basis;

Mobile land-based missiles, such as the proposed Midgetman, would be on a one-for-one basis.

This would penalize modernization of potential first-strike weapons and reward modernization in the direction of submarine-launched and mobile missiles.

At some point, or so the framers of the proposal hope, the efforts of the working group would be merged into the formal talks.

DISARRAY IN ADMINISTRATION SEEN

A number of officials described the situation in the Administration as one of considerable disarray, with no senior participant showing any particular enthusiasm for the new approach.

Last Friday, according to these officials, the Administration was still without an agreed position when Ronald F. Lehman 3d, the chief arms control expert on the National Security Council staff, met with a group including Brent Scowcroft, the chairman of Mr. Reagan's Commission on Strategic Forces, Mr. Woolsey and Senator William S. Cohen, Republican of Maine, who was one of the originators of the build-down idea.

By all accounts, Mr. Scowcroft and his commission members and Mr. Cohen and several of his Congressional colleagues essentially wrote the position paper with Mr. Lehman, although they strongly preferred one overall new proposal rather than breaking it down into one piece for the formal talks and one piece for the working group.

A NOT-SO-CHEERFUL IGNORANCE

Mr. PROXMIRE. Mr. President, an article recently appeared in the Washington Post which described a certain "cheerful ignorance" of some southern California youth. The writer, Benjamin Stein, points to a pervasive phenomenon among both the high school and college students that he spends time with—an apparent lack of knowledge about the world in terms of both historical and contemporary issues. One example cited by Stein was that of the students he interviewed, "Not one could name all the Presidents since World War II. Only one could even place the correct decade in which Dwight Eisenhower was President."

While Mr. Stein makes no claim about the representativeness of his student "sample," there is a very serious point underlying this piece. Apparently, some young people are unable to put even recent historic events in perspective. What is truly frightening about this situation is that the ignorance that does exist is not restricted to purely benign historical facts. Some extremely sensitive issues are involved as well.

One such important incident pointed out by Stein concerns anti-Semitism. He describes an interaction with two students as follows:

> Recently, two of them read an article about a militantly anti-Semitic organization. One of them pointed at the word "anti-Semite" and said, "What's this word?" I explained that it was someone who hated Jews for no other reason than that they were Jews. The girl looked at me with genuine amazement and asked, "Why would anyone do that?" The other girl said, "What is that again? I never heard of that."

How are we to respond to this? Perhaps these young people have never been touched by such intolerance and bigotry but there is a sad and potentially dangerous side to such "innocence." These same youth who are unaware that anti-Semitism exists probably are unaware that a Holocaust occurred; they may not know, for that matter, if bigotry exists at all and if people are motivated to kill because of that bigotry. If we are ever to prevent a repetition of the Holocaust, it is essential that its memory be preserved.

Mr. President, I suggest that our Nation needs something symbolic to serve as a constant reminder that genocides have occurred. More importantly, we need something that will enable us to recognize genocide as it occurs and to bring its perpetrators to legal justice. Our ratification of the Genocide Convention will serve both goals. It will be a memorial to those who have perished, and a beacon to those it may save.

TERENCE CARDINAL COOKE

Mr. MOYNIHAN. Mr. President, it is an altogether sad duty for me to report to the Senate that His Eminence, Terence Cardinal Cooke, passed away early this morning.

He was a man of exalted simplicity—above all, a paster to his flock which extended far beyond the bounds of doctrine or institution.

Cardinal Cooke was the spiritual leader of nearly 2 million Catholics in the archdiocese of New York, a 175-year-old institution which now covers 10 counties in the Metropolitan New York area.

The statement read this morning by officials of the archdiocese was succinct but moving:

> Terence Cardinal Cooke . . . completed his work on earth and was called home by Almighty God to heaven this morning, October 6, 1983, at 4:45 a.m. His Eminence died peacefully at his residence . . . in the shadow of his beloved Cathedral of St. Patrick.

Pope John Paul II announced his death to a gathering of 220 bishops at a Vatican synod and asked that the bishops pray for the Cardinal. Tributes from around the world are commencing to arrive in New York.

Mr. President, Cardinal Cooke was a man of truly extraordinary grace. Even as his final moments were filled with suffering, they were filled, too, with concern and compassion for the church he loved so well. One of his very last letters, to be read this Sunday at masses throughout New York, dealt with the church's sacred view of life. The Cardinal wrote:

> Life is no less beautiful when accompanied by illness or weakness, hunger or poverty, physical or mental diseases, loneliness or old age . . .

Mr. President, it is a measure of the man that in his own suffering, he found wisdom to share with his congregation. Yet his teaching, boundlessly energetic as it was, never approached the dogmatic. Cardinal Cooke was preeminently a man of learning and recognized the diversity

of opinion that flourishes within the church.

His was a good life, his presence among us powerful in its simpleness and virtue. How we were blessed by that life.

Mr. President, I ask unanimous consent that an account of Cardinal Cooke's life, from the United Press International, be entered at this point in the RECORD along with the text of a statement issued this morning at the White House by the President:

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

[From the United Press International, Oct. 6, 1983]

CARDINAL TERENCE J. COOKE

Terence J. Cooke became archbishop of New York—the fourth largest archdiocese in the United States with nearly 2 million faithful—at a time of change and turmoil in both the church and the world at large.

On the day he was installed at St. Patrick's Cathedral—April 4, 1968—another clergyman, Dr. Martin Luther King, was killed by an assassin's bullet in Memphis.

Cooke called on Catholics at that time to understand poverty and racial tensions in a "spirit of love."

In 1969—just four years after the Second Vatican Council ended, ushering the church into a new era—Pope Paul VI gave Cooke the red cap of a cardinal, making him, at 48, the youngest "prince of the church" in the world. He also was military vicar.

He was the American leader of the church's fight against abortion, pressing for legislation to ban the practice and serving for 10 years as chairman of the National Conference of Catholic Bishop's Committee for Pro-Life Activities.

It was an issue that was to occupy Cooke until the end.

Last weekend, Vatican Radio broadcasted a letter from the cardinal condemning abortion and mercy killing. It is to be read in all of the archdiocese's churches Sunday.

"Life is no less beautiful when accompanied by illness or weakness, hunger or poverty, physical or mental diseases, loneliness or old age," Cooke said in his last message to the faithful.

While the anti-abortion position was one that Cooke's fellow bishops held, he did have his differences with them on the issue of nuclear weapons.

On Dec. 7, 1981, the 40th anniversary of the sneak attack on Pearl Harbor, in his role of military vicar, Cooke issued a letter saying "it is legitimate to develop and maintain weapons systems to try to prevent war by detering another nation from attacking."

Dissenting clergymen criticized Cooke for maintaining a limited nuclear war was possible and said his position on the use of nuclear weapons was clearly contracted by the developing position of his fellow bishops.

A letter issued last May by the National Conference of Catholic Bishops condemning nuclear war, accepting nuclear deterrence only as a step toward disarmament and calling for a nuclear freeze went farther than Cooke preferred in some aspects.

At home, the cardinal created a storm among some members of his own flock last March when he denounced the selection of Michael Flannery, an Irish Republican Army supporter, as grand marshal of the St. Patrick's Day Parade up New York's Fifth Avenue.

The dispute reached a dramatic climax parade day when Cooke snubbed Flannery by refusing to appear on the steps of the cathedral for the traditional greeting for parade leaders. After the grand marshal had headed up Fifth Avenue, the cardinal emerged to review the rest of the parade and was greeted by boos.

The ruddy-faced Cooke became archbishop after serving as secretary to his predecessor, the late Cardinal Francis Spellman.

As an administrator, Cooke was known as a hard worker who modernized the archdiocese by centralizing many operations into a new Catholic Center, a 19-story skyscraper that was criticized by some as a luxury, but defended by others as a needed change.

Besides serving the 1.8 million Catholics in the archdiocese covering 10 counties ranging from Manhattan to rural Sullivan County, and fulfilling his duties as military vicar, Cooke found time to accommodate the world leaders, celebrities and church officials who arrived to visit him and see St. Patrick's.

When Pope John Paul II visited the United States in October 1979 he was a guest of Cooke's in his residence behind St. Patrick's.

Cooke was born on LaSalle Street in Manhattan's Upper West Side on March 1, 1921.

The future cardinal's parents, Michael and Margaret Cooke, moved to the Bronx a few years later and placed their two sons in parochial schools.

Cooke graduated from Cathedral College, now Cathedral Preparatory High School, in 1940, and entered St. Joseph's Seminary in Yonkers, N.Y.

He was ordained by Spellman on Dec. 1, 1945, and became the first graduate of St. Joseph's Seminary to be appointed archbishop of New York.

Cooke always maintained that the two people who influenced his life most were his father, a private chauffeur and later a construction worker, and Cardinal Spellman.

"It was a rich experience and an education being around him," Cooke said of Spellman. "His memory was incredible. He knew how to take the best of the past and the present. His consideration was unfailing."

For a brief time Cooke was chaplain at St. Agatha's Home for Children in Nanuet, N.Y. He then studied at the University of Chicago and Catholic University of America in Washington, where he received a master's degree in social work.

From 1945 until 1956, Cooke served as an instructor of the Fordham University School of Social Services and from 1954 to 1957 he was procurator at St. Joseph's Seminary.

In early 1957 Spellman appointed Cooke as his personal secretary and in 1965 he was ordained an auxiliary bishop.

Cooke became a cardinal 22 years after entering the priesthood and was the seventh archbishop of New York.

President Johnson, Gov. Nelson Rockefeller and Mayor John Lindsay were among hundreds of dignitaries who heard Cooke's first sermon as archbishop.

In 1975, Cooke went to Rome for the canonization of another native New Yorker, Elizabeth Bayley Seton, who became the first American-born saint.

Cooke began each day with mass in his chapel, newspapers at breakfast, brief conferences with his own staff on critical subjects, appointments with administrative aides and people with pressing personal or professional business, and a review of his mail.

After lunch he would start reading reports on church, city, state, national and international affairs and meet with boards or groups. Following supper he allowed himself an occasional walk on Madison Avenue behind the cathedral and then retired with an armful of papers.

Last April, Cooke celebrated a mass marking the 175th anniversary of the archdiocese, which covers Manhattan, Staten Island and the Bronx and the counties of Westchester, Rockland, Putnam, Dutchess, Ulster, Sullivan and Orange.

[From the United Press International, Oct. 6, 1983]

STATEMENT OF PRESIDENT REAGAN

WASHINGTON.—President Reagan said today that "all of America is saddened by the loss of Cardinal Cooke, a saintly man and a great spiritual leader."

Reagan visited Cooke last week when he was in New York to address the United Nations General Assembly.

Cooke died early today, and Reagan this morning issued the following statement:

"All of America is saddened by the loss of Cardinal Cooke, a saintly man and a great spiritual leader. In life, Terence James Cooke inspired us—with his personal holiness, his dedication to his church, his devotion to his flock. But in death as well, he had for us a special gift and a special inspiration.

"The world has rarely seen a more moving display of the three cardinal virtues in the faith, hope and love with which Cardinal Cooke confronted and conquered death. He bore his suffering in imitation of his savior.

"Nancy and I consider it one of the great privileges of our lives that in his final months we had the chance to visit and pray with Cardinal Cooke. We join the people of New York and all America in mourning the grievous loss of a wonderful and holy man."

CARDINAL TERENCE J. COOKE

(By Carol Vecchione)

NEW YORK.—Cardinal Terence J. Cooke, spiritual leader of nearly 2 million Roman Catholics in the Archdiocese of New York for 15 years, died today of leukemia. He was 62.

"Terence Cardinal Cooke, tenth Bishop, seventh Archbishop, fifth Cardinal of the See of New York and Vicar to Military Service, Veterans Administration hospitals and Government Service overseas, completed his work on earth and was called home by Almighty God to heaven this morning, Oct. 6, 1983, at 4:45 a.m.," the Rev. Peter Finn read from a formal announcement.

"His Eminence, Cardinal Cooke, died peacefully this morning at his residence . . . in the shadow of his beloved Cathedral of St. Patrick," said Finn, archdiocese spokesman.

Cooke's physician, Dr. Kevin Cahill, and two nurses were in the room, and Monsignor Joseph Murphy, chancellor of the archdiocese, was praying at his bedside when the cardinal died, Finn said.

Although funeral arrangements would be announced later today, Finn said tentative plans included a wake at the cathedral Friday evening through Sunday and services on Monday.

Cooke's body was removed from his residence about 6 a.m. and was taken to the Abbey Funeral Home in Manhattan.

Cooke's death came 40 days after the archdiocese announced that the cardinal was terminally ill and two days after the

archdiocese announced he had suffered a serious setback and was near death.

He had suffered with cancer of the lymph system for eight years, which was recently complicated by the onset of leukemia. He had received chemotherapy and blood transfusions in his battle.

Pope John Paul II, who will choose Cooke's successor, announced the cardinal's death to 220 bishops attending a synod in the Vatican, shortly after he was informed of the death by telephone. The pope asked the bishops to pray for the archbishop, a Vatican spokesman said.

President Reagan, who with his wife visited Cooke at his residence on Sept. 25, issued a statement calling Cooke a "saintly man" and a "great spiritual leader" who "bore his suffering in imitation of his savior."

Mayor Edward Koch ordered city flags to be flown at half staff.

"New Yorkers of all denominations loved and respected Cardinal Cooke," Koch said in a statement. "He was a man of simple tastes but of extraordinary compassion, and he loved God with all his mind and all his heart. There is no doubt that his place in heaven is assured."

Catholic schools remained open today but were expected to be closed the day of the funeral, Finn said.

The archdiocese's Board of Consulators was expected to meet today to elect an administrator to run the archdiocese until a successor is announced, he said.

Pope Paul II, the Apostolic Delegate in Washington and members of the cardinal's family were notified immediately after his death, Finn said.

Cooke had become so weak Wednesday that he could barely speak, and he and his family decided not to see each other again. "He and they would like to remember each other at better moments in the course of his illness," Finn said.

Cooke, a leader of the church's fight against abortion during his 15 years as archbishop, received the last rites of the church Tuesday after his condition worsened.

On Wednesday he received several blood transfusions and was under heavy medication to ease his pain.

The rapid deterioration in the cardinal's condition came just days after the archdiocese released a letter in which Cooke condemned abortion and mercy killing.

The letter is to be read in the archdiocese's churches on Sunday. The 175-year-old archdiocese covers 10 counties in the metropolitan area.

MAYNARD LAYMAN, AN OUTSTANDING ALABAMIAN

Mr. HEFLIN. Mr. President, Maynard Layman, farm editor and assistant to the publisher of the Decatur Daily, has recently announced that he is retiring after more than 50 years with the newspaper. For the next few moments I would like to share a little bit of the story of this dedicated and diversely talented public servant with my colleagues.

A native of north Alabama, Maynard graduated from Maryville College in Tennessee in 1928. The next year, 1929, he simultaneously held down four jobs: Director of physical education for the Decatur public school system, boys secretary for the YMCA, and director of recreation programs for both the Louisville & Nashville Railroad and Connecticut Mills Co. In 1930, Layman joined the Decatur Daily as circulation manager and farm editor. He has been with the paper ever since.

It has been in the agricultural area that Maynard Layman has been best known. Through the years, Maynard has been chairman of the agricultural committee of the Decatur Chamber of Commerce, and is, in great part, responsible for Decatur becoming one of Alabama's finest farm marketing centers.

For more than a quarter century, Maynard has been helping the Alabama congressional delegation with agricultural issues. His work has been of particular help with the problems experienced by cotton farmers in Alabama and other States in the Southeastern United States.

In 1968, Layman was selected by the Progressive Farmer as Alabama's Outstanding Man of Agriculture. He is a former member of the Agricultural Center Board, a former consultant with the Alabama Cotton Legislative Study Committee, a soil conservation supervisor for 20 years, and was a member of the original North Alabama Cotton Hardship Committee. He was also a member of the National Feed Grain Advisory Committee.

Despite this impressive listing of honors and activities, Maynard Layman's accomplishments have not been limited to the agricultural sphere. Maynard has been an active member of the Decatur Rotary Club, and a member of the Alabama Small Business Advisory Council. He was recently chosen by the Tennessee Valley Brotherhood of the National Conference of Christians and Jews to receive one of their annual brotherhood awards. In 1981, the Alabama Chapter of the American Cancer Society named Maynard "Volunteer of the Year." He has also been named a Paul Harris fellow by the Decatur Rotary Club, the single highest honor a Rotarian can be awarded.

In addition, Layman is a past president of the Alabama Educational Television Commission, and is a former member of the Alabama Ethics Commission.

Clearly, Mr. President, Maynard Layman is a man of great and diverse talent. I wish him the best in his retirement years, and know I speak for all who have known him in thanking him for his many contributions.

THE CENTENNIAL OF ANNISTON, ALA.

Mr. HEFLIN. Mr. President, as the senior Senator from the State of Alabama, I am quite pleased and proud to congratulate the citizens of Anniston, Ala., who this week are celebrating the 100th anniversary of their city.

The city of Anniston, the seat of Calhoun County, lies in the foothills of the Appalachian Mountains. The entire region was sparsely settled until the Civil War. During the war, a blast furnace of the Oxford Iron Works, located at Anniston, was destroyed by Union forces. After the war, in 1872, the Woodstock Iron Co. was organized, with a base at the former holdings of the Oxford Iron Works.

The new company laid out a town, built a sewer system, a waterworks, and powerhouse. The town was to be called Woodstock, but Alabama already had a town named Woodstock. The town Anniston—Annie's town—was then chosen, to honor Mrs. Annie Tyler, the wife of Woodstock's company president.

A textile mill was established in 1880, and a pig iron furnace was built in 1892. A railroad was built from Anniston south to Sylacauga, and then extended north to Gadsden and Attalla.

Eighteen eighty-three saw the publication of the town's first newspaper, the Hot Blast. This same paper is still in existence today, as the Anniston Star.

The year 1883 also saw the chartering of Anniston as a municipality. Until that time, the town had functioned as a private corporation. It is the centennial of that chartering that the people of Anniston are celebrating.

Anniston has a firm hold on a prominent place in the history of Alabama. Among citizens of the town who have received national recognition have been Gen. Robert E. Noble, Surgeon-General in the U.S. Army, who assisted General Gorgas with his work in Panama; John B. Knox, president of the Alabama Constitutional Convention of 1901; former Governor Thomas E. Kilby; and Ruth Elder, first woman to attempt a trans-Atlantic flight. This, Mr. President, is by no means a complete list.

In recent years, Anniston has been known as the home of the Alabama Shakespeare Festival, which is gaining an outstanding reputation among theatergoers across the South.

The Anniston Centennial Celebration is now in the midst of a weeklong expression of pride in the city's past. I commend the people of Anniston on their 100th anniversary, marking not only an event in history, but also marking a spirit of pride and fortitude. It is truly a pleasure to represent the citizens of Anniston in the U.S. Senate.

A TRIBUTE TO TOM DeJARNETTE

Mr. HEFLIN. Mr. President, I have recently learned of a notable honor awarded to a citizen of my State of Alabama, Tom DeJarnette of Tuscaloosa, preparator (retired) of the Alabama Museum of Natural History at the University of Alabama. DeJarnette became only the third person in the last quarter of a century to be named to tribal membership in the Alabama-Coushatta Indian Tribes of east Texas.

Tom is best known in Alabama for his more than 35 years of dedicated service to the Alabama Museum of Natural History. From the middle of the 1940's on, it was his pictorial depictions that were viewed by the thousands of people who visited Mound State Park in Moundville, Ala.

For almost a decade, DeJarnette has been a consultant to the Alabama-Coushatta Tribes. In 1976, he directed an extensive exhibition program for the tribe's museum at their reservation 90 miles north of Houston.

My home State has a strong Indian historical heritage, having received its name from the Alabama Indians. More than two centuries ago, the Alabamas and the Coushattas were inhabiting the area from Selma to Wetumpka as members of the Upper Creek Confederacy. After the Treaty of Paris in 1763, many members of the two tribes migrated first to Louisiana and then to east Texas.

Being named to tribal membership is quite a signal honor for Tom DeJarnette, Mr. President, and I commend him on this recognition.

TRIBUTE TO BETTY HAMBURGER

Mr. SARBANES. Mr. President, one of the great advantages of being in public office is the opportunity it affords to work with individuals of the highest merit. Thus, it is with a great deal of personal and professional pleasure that I commend to my colleagues' attention the forthcoming testimonial to Betty Hamburger, one of the most extraordinary and forcefully compassionate members of the community of Baltimore. A pioneer and tireless champion for the rights and well-being of the senior citizens of our Nation, Betty Hamburger has devoted the majority of her considerable skills and energy since her retirement in 1969 to improving the lives of those people who have given so much to their communities and country over the years.

Admired and respected by all who have had the privilege of knowing and working with her, Betty Hamburger's career has been as diverse as it has intense. A native of San Francisco, Mrs. Hamburger is a graduate of Barnard College and holds a master's degree in political science and international law from Columbia University. She married Isaac Hamburger in 1927 and moved to Baltimore where she took courses leading to a doctor's degree from Johns Hopkins University. While a housewife and mother of two sons, she did freelance feature writing and gave lectures; in 1936, she wrote the book "Watchmen of the Night."

At the beginning of World War II, Mrs. Hamburger went to work in the family department store—Baltimore's oldest men's clothing retailer—where she was alternately an interpreter of Government regulations, buyer, comptroller, advertising manager, and finally the vice president until her retirement in 1969. In 1959, she was honored as the "Ad Woman of the Year" by the Women's Advertising Club of Baltimore.

As a volunteer, Betty Hamburger's life has been equally full. She has taken active roles in the Community Chest, the Maryland Federation of Women, the National Association of Christians and Jews and the Barnard College Club of Maryland. She has done publicity work for the Associated Jewish Charities and the Jewish Community Center; she has served as president of the Jewish Educational Alliance and the Jewish Community Center, as well as on the boards of the Maryland Conference of Social Concern and the Associated Jewish Charities. The awards she has received for such distinguished service are numerous.

At the age of 65, when many are looking toward retirement, Betty Hamburger launched herself into a whole new arena by becoming a researcher for Ralph Nader's political action group. This involvement subsequently led to an appointment to the Maryland State Commission on Aging and an instrumental role in the founding of Maryland Advocates for the Aging 8 years ago; she served as its president for 5 years. Advocates for the Aging is affiliated with the Gray Panthers; its title was selected because its membership is not limited to seniors and therefore brings in people of all ages who are interested in social issues.

As an articulate and hardworking activist, Mrs. Hamburger is a tremendous force for dramatizing senior citizen issues and getting results at all levels of government. What makes her even more effective is the contagion of her enthusiasm. She gets excited, for example, about lobbying for legislation which would insure that nursing homes not meeting standards be put into receivership with a competent administrator rather than closing them and dislocating all the patients. It is this enthusiasm which is responsible for meaningful reforms in our country.

Betty Hamburger's passionate commitment to the needs of older Americans—and her example of dedication and commitment—is an inspiration to us all. I personally have been the beneficiary of her wisdom and counsel throughout the years and feel very privileged to call her my friend. She has enriched our lives both by her many good works and by her spirit. Mr. President, at this point in the RECORD, I would like to have reprinted a brief section of an article which appeared in the Baltimore Evening Sun on June 2, 1981. Entitled "When Children and Youthfulness Fly the Coop," the interview recorded by reporter Phyllis Brill states Betty Hamburger's own philosophy on aging; in so doing, it captures as well the spirit and vitality of this extraordinary woman.

When asked when she first realized she was aging, when it first truly hit her, she just laughs. She cannot remember her first gray hair or her first wrinkle. She cannot even tell you how many years now she has been a widow. The past is not so important to her, she lives in the future.

I tell people gray hair is a crown of glory and wrinkles are a sign of honor.

SUPPORT FOR ITEM-VETO GROWING

Mr. DIXON. Mr. President, I am very pleased to see a rising level of interest in the notion of giving the President of the United States an item-veto power. I read with great interest the comments of my good friend and colleague, Senator MATTINGLY, who introduced two item-veto measures yesterday. I also want to note that a number of item-veto proposals have been introduced in the House of Representatives.

As Senator MATTINGLY pointed out in his statement, there seems to be a rising level of interest in the administration regarding the item-veto concept. Secretary of the Treasury Regan spoke strongly in support of granting the President item-veto authority earlier this week.

It is important to remember, however, that the item-veto is not, and should not become, a partisan issue. I did not offer an item-veto proposal in the last Congress, and offer it again in this Congress, because I want to give a Republican President more power, and take away power from the Democrats in Congress. Rather, I think that both the President—whether Republican or Democrat—and the Congress—whether controlled by Democrats or Republicans—will benefit from a mechanism that will help to encourage more responsible budgeting. Most Importantly, the average American will benefit, because an item-veto will help reduce the pressures that have given us $200 billion deficits as far as the eye can see.

Most of the States give their Governors item-veto power. Democratic Governors and Republican Governors make use of it every day. Democratic legislators and Republican legislators work effectively and efficiently under constitutions that give their executives item-veto authority.

Mr. President, many of the other item-veto proposals now pending before Congress differ significantly from my own. My proposal uses a constitutional majority override standard for item-vetoes; other proposals use a two-thirds standard. My proposal is a constitutional amendment; others have introduced constitutional amendments and proposed statutes.

I think the issues raised by the various proposals are important and worthy of serious attention. What is most important, however, is that the concept of an item-veto is increasingly viewed as a workable means for attacking our serious budget problems.

Most Governors could have told us decades ago that the item-veto works. Congress has been rather late in getting the message, but at long last, it seems, we are beginning to pay attention to an idea whose time has come. So I welcome my colleagues' interest. I solicit their support. Working together, we can make the item-veto part of the law of the land, and begin to restore needed discipline and restraint to the budget process.

Make no mistake. While the item-veto alone will not solve our $200 billion annual deficit problem, it can make a noticeable difference. It will help insure that fiscal responsibility is not just something that is talked about, but is something that the Government of the United States begins again to live by.

THE TRICENTENNIAL ANNIVERSARY YEAR OF GERMAN SETTLEMENT IN AMERICA

Mr. THURMOND. Mr. President, on October 6, 1683, 13 German Mennonite families arrived at Philadelphia after a long and dangerous journey across the Atlantic Ocean aboard the vessel, *Concord*. Escaping religious persecution, these courageous individuals risked their lives to find a better existence in America.

Three hundred years later, we celebrate this humble beginning of the first organized settlement of German immigrants in our land. President Reagan, with the authorization of the 97th Congress, designated 1983 as the "Tricentennial Anniversary Year of German Settlement in America."

In addition to recognizing those early German pioneers, this designation is also an appropriate affirmation of the vital relationship which exists between the United States and the Federal Republic of Germany. One of the primary purposes of the tricentennial is to salute the countless contributions that German Americans have made to strengthen our economic, political, social, and cultural way of life.

In an effort to encourage nationwide participation in the tricentennial celebration, the joint resolution passed during the 97th Congress established a Presidential Commission to plan and coordinate activities promoting this event. As President pro tempore, I had the privilege of recommending to the President, in consultation with the majority and minority leaders. 10 individuals who would serve on this important panel. The Commission, comprised of 40 outstanding leaders from across America, have done a magnificent job of stimulating public interest in the 300th anniversary of German-American relations. Their organizational efforts deserve our deepest gratitude and commendation.

Mr. President, since 1683, 7 million Germans have chosen to make America their home. Sixty million Americans of German descent make up our Nation's largest ethnic group. Nearly 30 percent of our citizens claim German ancestry, including myself. My own roots may be traced to Germany, as my name, Strom, originally spelled Straub, suggests. The ancestors of my mother, Eleanor Gertrude Strom Thurmond, arrived in South Carolina along with other German Palatines in 1764. I am proud of my German heritage and I consider it an honor to be associated with a people whose contributions have so greatly shaped the course of American history.

Throughout my home State of South Carolina, the German-American influence is greatly felt. South Carolinians consider themselves fortunate that German-based industries have chosen the resource-rich Palmetto State to locate. As vital members of our industrial community, German businesses have bolstered our economy in many ways. In fact, the German-American Chamber of Commerce notes that, on a per capita basis, South Carolina has one of the largest concentrations of German enterprise in the country. Aside from business matters, Charleston has one of the oldest German societies in the United States.

Indeed, the people of West Germany and America have much in common. Our alliance is based on common values of democracy, individual liberty, and opposition to any force which threatens our freedoms. In 1961, an enemy of freedom made an indelible stain on Germany when the Government of East Germany at the instigation of the Soviets, erected a wall in Berlin, creating a totalitarian prison for its people. The Iron Curtain continues to stand as a terrible symbol of oppression, and its presence is a dark reminder to West Germany and the entire free world of the evils of communism.

Mr. President, on the 22d anniversary of the Berlin Wall, the mayor and city council of Charleston adopted a resolution expressing their hope that the Iron Curtain will one day be dismantled. I ask unanimous consent that this proclamation be included in the RECORD at the conclusion of my remarks.

Fortunately, West Germany remains free, and we have been honored to have its leader, President Karl Carstens, and his wife, and others including Ms. Annemarie Renger, Vice President of the Bundestat, visit America during this tricentennial. Yesterday, President Carstens reaffirmed his country's support for the United States in a joint meeting of both Houses of Congress. I was pleased to request, along with House Speaker O'NEILL, that this meeting of historical significance take place.

Mr. President, I am sure that all freedom loving Americans and Germans join me in the hopes and prayers that peace and freedom will reign in Germany, and that our friendship and mutual respect will continue to grow in the centuries to follow.

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

PROCLAMATION

Whereas, on August 13, 1961, the Government of East Germany, in total disregard of treaty obligations and international law, erected a wall in the City of Berlin; and

Whereas, by doing so, Germans living in East Berlin are prevented from moving freely in their city; and

Whereas, it is altogether fitting and proper that we call attention to the somber anniversary of The Berlin Wall; and

Whereas, by doing so we pay respect to the many citizens of Charleston of German origin who have made valuable contributions to the quality of life in our city: Now, therefore, be it

Resolved, That the Mayor and City Council of Charleston express our solidarity with the citizens of Berlin and hope the day will come when the wall is dismantled and that Berliners will once again breathe the sweet air of freedom.

ROBERT McCLORY'S ARTICLE, "WAS THE FIX IN BETWEEN FORD AND NIXON?"

Mr. THURMOND. Mr. President, I would like to bring to the attention of our colleagues an article by Robert McClory, a former member of the House of Representatives. The article is entitled "Was the Fix In Between Ford and Nixon?", and it appeared in a recent issue of National Review.

Mr. McClory's article is an excellent refutation of allegations made by Seymour Hersh in an article in the August edition of Atlantic. Mr. Hersh accuses the former Presidents of striking a deal whereby Nixon would resign and

Ford would pardon him after becoming the President. Mr. Hersh's entire calumnious attack hinges upon our acceptance at face value of the reliability of an unidentified source.

Mr. McClory does not rely on such tactics. He quotes Carl Albert, the former Speaker of the House, PETER RODINO, chairman of the House Judiciary Committee and Leon Jaworski, the Special Prosecutor. We owe a debt of gratitude to Mr. McClory for bringing the truth about this matter to light.

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

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

[From the National Review]

WAS THE FIX IN BETWEEN FORD AND NIXON?

(By Robert McClory)

Seymour Hersh's article, "The Pardon," in the August Atlantic, presents a dramatic tale of illegal activity and political intrigue behind the decision of former President Gerald R. Ford to grant a full pardon to Richard Nixon.

Hersh's story hinges on dozens of questionable assertions, unidentified sources, clandestine conversations, and unsupported allegations by some of Ford's bitterest political enemies. It is more suitable as the scenario for a Hollywood thriller than as an informed account of what actually happened. Hersh tried to make the case that a top-level "deal" was struck whereby Nixon would resign the Presidency if Ford—when he became President—would grant Nixon a full and complete pardon.

The "deal," Hersh insists, was consummated during an alleged telephone conversation between Ford and Nixon on September 7, 1974, a month after the resignation, in which, Hersh says, Nixon threatened "to go public" and claim that Ford had promised the pardon in exchange for the Presidency.

At the heart of Hersh's tale is the most sacred of journalistic cows—the unidentified source. In other disciplines, such as science and law, the unidentified source is regarded as no source at all. The naming of credible sources is considered an essential ingredient in discovering the truth. In a court of law, information provided by second-hand or unidentified sources is treated as hearsay and is not admissible as evidence. In Hersh's brand of journalism, facts, sources, and evidence are whatever the author says they are.

The real story behind the resignation and the decision not to subject Nixon to criminal prosecution, at least on the congressional level, has nothing to do with Hersh's cloak-and-dagger melodrama.

As the second-ranking Republican on the House impeachment committee in 1974, the author of one of the Articles of Impeachment (Article III), and the co-author (with Congressman James Mann (D., S.C.) of another (Article II), I was one the principal actors in the events surrounding the investigation of Nixon.

After voting to impeach the President, I issued a statement to the press urging his resignation. I was present throughout the House Judiciary Subcommittee's hearings on the Nixon pardon, including President Ford's unprecedented, and voluntary, appearance before our committee—the first time that a President has testified before a committee of Congress during the period of his Presidency in more than a hundred years.

Richard Nixon was the only President of the United States to resign. His resignation, at noon on Friday, August 9, 1974, came less than 48 hours after he had vowed to members of his Cabinet that he would not resign. What happened in the House of Representatives during that 48-hour interval merits close scrutiny.

The House Judiciary Committee, including seven Republicans, had voted on July 30 to recommend three Articles of Impeachment that the full House seemed certain to adopt. A few days later, the committee received the transcript of the incriminating June 23, 1972 taped conversation that contained the "smoking gun" segment conclusive evidence of Richard Nixon's dominant role in the Watergate coverup, and other elements of the obstruction-of-justice charge. This evidence was so damaging that such hard-line Nixon supporters as Congressmen Charles Wiggins (R., Calif.) and Edward Hutchinson (Mich.), the ranking Republican on the committee, who had voted against impeachment, indicated that they would vote for impeachment when the Articles came before the full House. What little support Nixon had in Congress before the June 23 revelations had collapsed.

Meanwhile, chairman Peter Rodino and I, and several other Judiciary Committee members, were formulating a plan for the floor debate to present to the House Rules Committee. Rodino, Speaker Carl Albert, and I had agreed that there would be live national television coverage of the House debate, which was expected to take two full weeks, starting at noon Monday, August 26.

On Tuesday, August 6, in Rodino's office in the Rayburn Building, Rodino and I discussed an equal division of the time between Democrats and Republicans. He seemed favorably inclined toward such a division. The meeting was also attended by Democratic committee members Don Edwards (Calif.) and Bob Kastenmeier (Wisc.), and Republicans Tom Railsback (Ill.) and William Cohen (Me.), Jerome Zeifman, chief majority counsel for the Judiciary Committee, and Frank Polk, the committee's chief minority counsel. My recommendations, which seemed likely to be adopted, would allot each member of the House five minutes to discuss the Articles of Impeachment; members of the Judiciary Committee would have ten minutes each. The time would be broken into 397 segments of five minutes each and 38 segments of ten minutes each, for a total of about forty hours. Richard Nixon would become the center of the most damaging criticism suffered by an officeholder in the nation's history for five hours a day over a two-week period.

During the discussion in Rodino's office the bells sounded for a quorum call, bringing our formal meeting to an abrupt end. The committee counsel departed, as well as Congressmen Railsback, Cohen, and Kastenmeier. Rodino asked me to stay for a minute, Congressman Edwards also remained.

Rodino began: "Say, Bob, got your press release urging the President to resign." He continued: "I'm all for it. See what you can do. It would save us all a lot of trouble. The damage to the country will be terrible if this all goes on TV. Think what it would do around the world. If he resigns, we can drop all this, the impeachment, the threat of criminal proceedings. If he quits, that's the end, that's it."

I replied: "Pete, I'm glad you feel as you do, and the way you're talking to me, it sounds as though you want me to communicate your views to the people on my side."

Rodino answered, "Of course. You tell your guys that if he quits, we'll drop the impeachment, and there should be no criminal proceedings."

I was completely unprepared for Rodino's overtures. But was he simply speaking off the cuff or, at least, off the record? I asked him if others felt the same way—and whether I should report his position to "my guys."

Congressman Edwards volunteered, "Bob, I feel the same way. If Nixon resigns, he's through. No impeachment. No criminal prosecution. That's my position."

I placed great reliance on Edwards's statement. He had been a key figure in encouraging Rodino's fairness as chairman of the Judiciary Committee during the impeachment hearings. A one-time Republican, Edwards had switched parties and at one point served as head of the Americans for Democratic Action. A genuine liberal with an unbroken record of adherence to constitutional and civil rights, Edwards joined Republicans in insisting that Richard Nixon had a basic right to counsel during our Judiciary Committee hearings and that Nixon's counsel, James St. Clair, could examine and cross-examine witnesses during our closed executive sessions. I felt Edwards's support of the resignation movement reflected the prevailing attitude of the Democrats on the committee.

But did it reflect the position of the Democratic leadership? There was nothing to do but ask. So I said, "Pete, what about the Speaker? How does he feel about this?"

Rodino then told me that he had already talked with the Speaker, and that "he feels the same way." "Do you mind if I talk to the Speaker about this?" I asked.

Rodino replied. "No. You can talk to him right now." We hurried to the Capitol and walked onto the House floor near the end of the quorum call. Speaker Carl Albert was standing on the Democratic side of the rostrum, as was customary, awaiting an announcement by the chairman of the House that the members would rise, at which time the Speaker would take his seat on the rostrum.

My conversation with Speaker Albert was brief, but it confirmed what Congressmen Rodino and Edwards had told me: If Richard Nixon would resign, the impeachment would be dropped and the Speaker would argue against any criminal prosecution. The Speaker interposed a clear caveat—which I recall as though he had uttered the words today: "Of course, we have no authority over the criminal proceedings. That is in the hands of the special prosecutor. It's up to [Leon] Jaworski—and the Judiciary. But, sure, my advice would be to drop the whole thing—the impeachment and the criminal prosecution." This, of course, was true.

The Speaker added that the impeachment proceedings in the House and a trial of a President of the United States in the courts would be very damaging. "He ought to resign."

I made it clear to the Speaker that I was going to communicate his position "to the people on my side." The Speaker said, "Sure," as he left to take his seat on the rostrum.

I puzzled on how best to communicate this advice to the White House.

I looked but couldn't find the Republican Leader, John Rhodes, so I thought of Bill Casselman, my former legislative assistant,

who had worked at the White House during the first four Nixon years. He was now counselor to Vice President Gerald Ford.

I reached Casselman in the Republican Cloakroom at about 3:30 p.m. and recounted briefly my conversations with Rodino, Edwards, and Speaker Albert. Casselman told me that Ford wanted nothing whatever to do with any possible Nixon resignation; he didn't even want to discuss the subject. In sum, Casselman said that he couldn't talk to Ford about this subject, and he felt it would be inappropriate for him to communicate the information to the White House.

Casselman then suggested that Bill Timmons, a Nixon aide, might be the right person for me to talk to. He said he would have Timmons call me. At 4:20 p.m. I received a call in the Republican Cloakroom from Timmons. I told him the whole story, beginning with the discussion in Rodino's office about the live television debates covering the three Articles of Impeachment. Then I described Rodino's overtures, Congressman Edward's assent, and finally my discussions with Speaker Albert.

Timmons told me that at that very moment Congressman John Rhodes and Senators Barry Goldwater and Hugh Scott were talking to the President in the Oval Office. Timmons was speaking from the adjoining room.

"I know the President is not interested in any plea bargaining," Timmons told me, "but I feel that he would be interested in what you are telling me. At any rate, as soon as Mr. Rhodes and Senators Scott and Goldwater leave, I will report what you have told me directly to the President." This Timmons did. During the discussion the President had with Rhodes, Scott, and Goldwater, the subject of resignation was never mentioned.

The next day, Richard Nixon stunned the nation by announcing that he would resign the Presidency. His statement made no reference, of course, to the assurances that had been communicated to him. The decision, according to Nixon, was made because his "base of support" in the House and the Senate had diminished to the point where his vindication in impeachment proceedings seemed most unlikely. While admitting mistakes, he appeared to express no sense of guilt.

Impeachment is the sole method of removing from office a President of the United States or persons in the executive or judicial branches of government. Although in Great Britain impeachment procedures permitted the House of Lords to impose penalties (including the death sentence) on kings and lesser wrongdoers, our American system has clearly established that the only penalty the Senate may impose in an impeachment trial is "removal from office." Even if action in the House and Senate would have proceeded to a final conclusion, Richard Nixon could suffer no penalty at the hands of Congress other than his removal from office.

Special prosecutor Leon Jaworski's position on the issues of the resignation and pardon coincided with the views of Speaker Albert and Chairman Rodino, as expressed to me that August afternoon. About a month after the pardon, in an interview with Karen J. Elliott of the Wall Street Journal, Jaworski said he saw nothing wrong with President Ford's decision to pardon Richard Nixon. "If Mr. Nixon's case had been allowed to proceed to indictment and trial, the public would have learned nothing more about the President's role than will come out in the trials of his former aids," he told Miss Elliott.

Jaworski further confirmed that if Richard Nixon had been charged and tried, his trial would not have come up for many months.

When Gerald Ford appeared before a Judiciary Subcommittee on September 8, 1974 to explain his pardon of Richard Nixon, he said he did it to "change our national focus." He added: "I wanted to do all I could to shift our attention from the pursuit of a fallen President to the pursuit of the urgent needs of a rising nation."

Does Hersh dispute this? Does he claim that a trial of Richard Nixon in a criminal court would have been good for the nation?

Many regard the pardon as the single act that lost Ford the presidential election in November 1976. Obviously, he was conscious of the risk. He assumed the responsibility for making that decision.

The tragedy of Seymour Hersh's dramatic tale is that a man of courage and dedication, Gerald R. Ford, is recklessly presented as a co-conspirator with Richard Nixon, intent upon obstructing justice. Only a handful of congressmen, all bitter political enemies of Gerald Ford, supports such a conspiracy theory, and none has offered any evidence to support it.

Former Representative Bella Abzug, a compulsive Ford opponent, charged in testimony before the House Judiciary Committee that if Ford had offered to pardon Nixon in exchange for Nixon's agreement to resign the Presidency, then "conceivably Mr. Ford could be charged with accepting a bribe, which is an impeachable offense."

When cross-examined by Representative David Dennis (R., Ind.), who asked her, "Do you have any evidence whatsoever to support those suspicions?" Mrs. Abzug replied, "No, and I make it very clear, Mr. Dennis, that I make no judgment here as to whether these suspicions are justified."

Yet Hersh expects readers to share his faith in Congresswomen Bella Abzug and Elizabeth Holtzman and Congressman John Conyers. Hersh conveniently ignores the fact that the Democratic leadership had divorced itself from the position taken by these three.

President Ford acknowledged to the Judiciary Subcommittee that on August 1, 1974 he met twice (eight days before the Nixon resignation) with Alexander Haig Jr. and discussed the damaging evidence against Nixon in the June 23, 1972 "smoking gun" tape.

Haig told Ford that he was presenting various options to Nixon: a) resignation, b) temporary reliquishment of the Presidency as authorized by the 25th Amendment, and c) Nixon's possible pardon of himself and other Watergate defendants to be then followed by his resignation.

Although Haig had elicited Ford's views on the various options, Ford called Haig the next day (August 2) to advise him that he (Ford) did not intend to make any recommendation as to what Nixon should do about resigning or not resigning.

These two contacts with Haig seem to be undisputed, even by Hersh.

In his testimony before the Judiciary Subcommittee, Ford declared flatly: "At no time after I became President on August 9, 1974 was the subject of a pardon for Richard M. Nixon raised by the former President or by anyone representing him."

At his first press conference as President on August 20, 1974, Ford anticipated possible questions on the subject of the pardon. After denying any negotiations on that subject, Ford added that "the general view of the American people was to spare the former President from a criminal trial."

Ford continued: "Shortly afterward, I became greatly concerned that if Mr. Nixon's prosecution and trial were prolonged, the passions generated over a long period of time would seriously disrupt the healing of our country from the wounds of the past."

This, indeed, is the view that prevailed in Congress and in the country.

Ford's erstwhile political ally, former Secretary of Defense Melvin Laird, questioned not the pardon but the timing of the pardon. So did I.

But none of those with whom I discussed the Nixon resignation would have demanded Nixon's prosecution. They supported the resignation as an alternative to the trauma of an impeachment trial by the Senate or the criminal trial of the former President.

On August 11 of this year, I telephoned Gerald Ford to ask him about the Hersh piece. He found it grossly "unfair" and told me he had offered Hersh all the logs of telephone calls received at the White House for the period about which the charge of a Nixon call was alleged to have occurred. But Hersh refused to examine this record. When I asked the former President about the existence of an "unmonitored" call, as Hersh suggests, he replied, "Hogwash."

The fundamental fact is this: There is no evidence anywhere of a telephone call to President Ford in the early evening of September 7, 1974, from an angry Richard Nixon, 29 days after he had resigned as President of the United States, demanding a pardon.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

DAIRY AND TOBACCO ADJUSTMENT ACT OF 1983

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 p.m. having arrived, the Senate will now resume consideration of the pending business, S. 1529, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 1529) to stabilize a temporary imbalance in the supply and demand for dairy products, to enable milk producers to establish, finance, and carry out a coordinated program of dairy product promotion, to adjust the support levels for the 1983 and subsequent crops of tobacco, to make modifications in the tobacco production adjustment program, and for other purposes.

The Senate resumed consideration of the bill.

AMENDMENT NO. 2293, AS MODIFIED

(Purpose: To modify the dairy production stabilization and promotion programs)

Mr. MOYNIHAN. Mr. President, I wish to modify the amendment which is at the desk, on behalf of myself and Senator HATCH, and I send the modification to the desk.

The PRESIDING OFFICER. The Senator has a right to modify his amendment, and the amendment is so modified.

The amendment, as modified, is as follows:

On page 2, beginning on line 8, strike out all that follows through line 9 on page 19 and inset in lieu thereof the following new section:

DAIRY PRODUCTION STABILIZATION

SEC. 102. On the first day of the month following the enactment of this Act, section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended—

(1) by striking out subsection (d);

(2) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) The price of milk shall be supported, through purchases of milk and the products of milk, at such level, not less than $11.60 per hundredweight for milk containing 3.67 per centum milk fat, as the Secretary determines necessary in order to assure an adequate supply of milk to meet current needs, taking into consideration the net price-support purchases of milk or the products of milk by the Commodity Credit Corporation during the preceding fiscal year. Such level shall be established by the Secretary at the beginning of each fiscal year.".

On page 23, line 8, strike out "order. Such order shall become effective" and insert in lieu thereof "order as soon as practicable, but".

On page 27, line 22, strike out "10 cents" and insert in lieu thereof "15 cents".

On page 31, strike out line 20 and all that follows through line 11, page 32, and insert in lieu thereof:

"SEC. 115. (a)(1) Within thirty days following the issuance of an order under section 112, the Secretary shall conduct a referendum among producers who, during a representative period (as determined by the Secretary), have been engaged in the production of milk for commercial use in order to determine whether such producers favor the implementation of a dairy promotion program.

"(2) If at least one-half of the eligible producers vote in the referendum and at least two-thirds of the eligible producers voting in the referendum favor the implementation of a dairy promotion program, the Secretary shall issue a dairy products promotion and research order.

"(3) If more than one-half of the eligible producers fail to vote in the referendum or less than two-thirds of the eligible producers voting in the referendum do not favor the implementation of a dairy promotion program, the Secretary may not issue a dairy products promotion and research order.".

Mr. MOYNIHAN. Mr. President, I rise today to offer an amendment on behalf of myself and my distinguished colleague from Utah, Senator HATCH, to provide a long-term solution to the critical dairy surpluses we confront today. I am pleased that Senators THURMOND and HOLLINGS join us in introducing this amendment.

Let me begin by commending the members of the Committee on Agriculture for their many hours of diligent work on this most difficult issue. The problem of surplus dairy production is quite complex, and the import of any modification of the price support program will vary from region to region. The amendment Senator HATCH and I propose today represents a fair and workable solution to the present crisis.

The cost of the dairy price-support program has grown with the Federal deficit, more than ten-fold, from $250 million in fiscal year 1979 to some $2.7 billion in fiscal year 1983. Today, the Federal Government finds itself the reluctant owner of a hugh and growing surplus of dairy goods, for which there simply is no market. On April 1 of this year, the Commodity Credit Corporation (CCC) owned 420 million pounds of butter, 758 million pounds of cheese, and 1.2 billion pounds of nonfat dry milk. The Government's cost to transport, handle, and store the commodities came to $112.8 million in fiscal year 1982.

In the 1982 Omnibus Budget Reconciliation Act, Congress tried to reduce the quantities of surplus milk products to lower the cost of the dairy price-support program. To do so, Congress authorized the Secretary of Agriculture to collect two 50-cent assessments on the sale of every hundredweight, or hundred pounds, of milk marketed commercially.

Mr. President, these assessments are a most extraordinary phenomena. The American Government is seeking to reduce the costs of the dairy price support program by imposing a tax on food. A tax, I might add, that is both unnecessary and counterproductive. It matters not that the money comes from the farmer's paycheck, or the consumer's at the checkout counter, it is a tax, pure and simple. This is the character of the $1 assessment per hundred pounds of milk—9 cents per gallon—levied on dairy production this year.

What has the tax accomplished?

Dairy production has risen steadily since the first assessment was imposed. This past June, our farmers were milking 20,000 more cows than last January, and milk production was up between 2 and 4 percent. Dairy farmers are producing more milk to compensate for $1.2 billion in income lost annually to the tax assessment. It is not, in short, reducing the surplus of milk production.

To be sure production has been reduced in one area: Small family farmers have been driven out of business. This reduction, a tragic one, has been more than offset by the overall increases in production by large producers.

We offer a simple remedy: Repeal the tax on milk, repeal the assessments. Let the Secretary of Agriculture reduce the price supports, at his discretion, to $11.60. And give dairy men and women a direct voice in whether they want to participate in, and help fund, a national promotion campaign for dairy products.

By repealing the assessment, we will eliminate the incentive for dairy farmers to increase production at a time of high surplus. In this way, we can reduce the surpluses while ending the tax on milk. Dairy farmers will be more profitable, and milk, butter, cheese, and other dairy products will cost the consumer less.

This offer is the most efficient and equitable means to reduce our current surplus and the attendent costs of the support program. Every region of the country will share the burden, and all sectors of the dairy industry will be encouraged to seek ways to expand the milk market. Our amendment has the support of a wide array of organizations representing interests of dairy farmers, manufacturers, and consumers including the American Farm Bureau, Food Marketing Institute, Milk Industry Foundation, National Independent Dairy Foods Association, Public Citizen/Congress Watch, and the Public Voice for Food and Health Policy.

I would inquire of the distinguished chairman of the committee does he wish to consider a time agreement at this point or at some later point after we have begun our discourse?

Mr. HUDDLESTON. If I might respond, Mr. President, to the Senator from this side of the aisle, we are not quite ready to explore the time agreement. We should be in just a few minutes.

Mr. MOYNIHAN. In that case, Mr. President, I will make just a few opening remarks and then turn to my colleague in this matter. First I ask unanimous consent that the junior Senator from Washington (Mr. EVANS) not be listed as a cosponsor.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. MOYNIHAN. Mr. President, there are a few things to be said in sum on this subject: The first is that the dairy price support program, as with all major agricultural programs, has grown fantastically in cost over the last 4 years.

The idea that a 1980 cost total of about $4 billion should have risen to $23 billion in the space of 3 years is a record of mismanagement and miscalculation. You would have to go back to Pearl Harbor to find even a military analogy, for none exists in the area of farm policy.

The specifics of the dairy price support program are that a Federal Government deficit of $250 million in fiscal 1979 has grown to $2.7 billion in fiscal 1983.

Mr. HUDDLESTON. Mr. President, will the Senator yield—and I apologize for interrupting—will the Senator explain the modification of his amendment?

Mr. MOYNIHAN. The modification is basically technical.

Mr. HUDDLESTON. The change is the effective date?

Mr. MOYNIHAN. The modification changes the effective date so the amendment could take effect on the first day of the month following enactment.

The cost of a program of $250 million in fiscal 1979 grew 10 times by fiscal 1983 to $2.7 billion. This is a program that has failed and is failing. The Federal Government's accumulations of butter, cheese and nonfat dry milk—420 million pounds, 758 million pounds, and 1.2 billion pounds, respectively—indicates the failure of this program. The government's cost merely to transport, handle, and store, is now over $112 million.

It has led to an absurdity in modern government. Dairy farmers are producing more than can be consumed and storing it at ever greater costs. In 1982, in the Omnibus Reconciliation Act—a term we are going to come to view with fear and loathing in this Congress as each successive Omnibus Reconciliation Act turns out to have 15 wholly unanticipated and absolutely calamitous provisions unknown to the Senators voting for them—for the first time in the history of the Nation, if I am not mistaken, we put a tax on food. Not just the exotic foods, not just marginal food which for some reason we wish to discourage consumption, but we put a tax on milk.

Now, think of milk and think how elemental a food it is. I live on a dairy farm in a dairy-producing part of New York State. The idea of raising the price of children's school lunch milk as part of a farm program is difficult for me to comprehend. This money goes to the general funds of the Treasury. And this is not the administration's work, as such. I do not want to make any political allegations here at all.

But now, Mr. President, something worse has happened, something worse could be about to happen. We are about to extend to the dairy industry a program which has so desperately affected the general production of grains and other such commodities in this country. While there is a shortage of food, in a period after the worst drought in 50 years, the Department of Agriculture pays people in kind for not growing food.

I do not wish to raise moral issues on this floor, but it seems to me there is something sinful about being paid not to produce food. I just do not know how we ever got into it. The economic catastrophe in the 1930's, when a vastly greater proportion of the population lived on farms and demand levels in the urban areas had collapsed required drastic measures. Even so, I cannot forget from my childhood the derision that was directed toward the paid diversion at the time.

The paid diversion program is said to be temporary. It will never be a temporary program. Coal mining apart, there is not a harder job in this country than dairy farming. Dairy farmers work 16-hour days.

The proposal we have before us would pay the farmer $10 per hundredweight of milk not to milk cows. Anyone who has ever been in a barn in upstate New York at 4 o'clock on a cold February morning, who calculates the benefit-cost ratio of being there, will perfer to stay in bed and receive $10 for doing so. That person will not go back into his barn, and this legislation will never end.

We have heard of the formidable powers of the milk lobby to influence events on the floors of the two bodies. They can say to their constitutents: "We have got you a genuine, guaranteed income. Just live on what was a dairy farm and say that you milked 400 cows night and day. Just sit there and draw your money. It will come in large sums regularly, as regular as a milk check, and larger than a milk check." And everything comes in and nothing goes out. It defies reason that we should think it right to do this.

This is called the dairy PIK program in the parlance of our present discourse—the PIK program entailing payments-in-kind for farmers not to produce.

Now, Mr. President, I live on a dairy farm. I have a neighbor, Eric Meyerhoff, who has a large and successful farm. He uses some of our fields. He said to me 3 weeks ago that for the first time in his long life of farming he called the grain dealer in Syracuse from whom he gets his corn, and the grain dealer said, "I don't have any. I have none to sell."

Why do the grain dealers not have any? Because nobody grew any. Why did the farmers not grow any? Because they were given the corn instead of growing it. And those that did grow found themselves faced with the worst drought in 50 years in the corn areas of the country. Western New York is one such area.

The price of corn is going to go up by 40 percent. Soybeans, I am told, as much as 60 percent. And now we are going to do the same thing to milk. The Agricultural Stabilization Conservation Service of the Department of Agriculture estimates that this diversion program will cost $1.194 billion in the coming fiscal year.

Mr. President, we have two absurd choices. We can pay $1.354 billion for the assessment, or $1.194 billion for diversion.

Senator HATCH and I offer a direct alternative, which is to lower the price support to $11.60; lower the level at which the Secretary of Agriculture can set that support; let the market work; stop taxing consumers for basic staples of their diet: milk, butter, and cheese; stop paying American farmers for not doing what they do so well, which is to produce. Simply let the market set the price.

If there is a serious case to be made against that, I do not know it. If the Members of this body want to start another program of paying farmers not to produce food, and then go out and say that this has been a period of cutting back Government activities, I am baffled. I am without any coherent response. It would have to be an act of folly.

I have now made my opening statement, Mr. President. My colleague is on his feet. I will at this point yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I would like to express my sincere appreciation for my colleague's remarks. Senator MOYNIHAN certainly covered this matter to a large degree. I would also like to express my sincere appreciation to the majority leader, to Senator DOLE, Senator HUDDLESTON, and others, for their efforts in bringing this bill to the floor. I know that similar sentiments were expressed last evening when a unanimous-consent agreement was finally reached. I would be remiss if I did not add my own.

I welcome the opportunity to debate this issue and I am confident that the dairy farmers across the Nation are equally delighted that this issue is now before us.

Mr. President, as we all know the dairy price support program has caused a great deal of controversy across the country within the last 2 or 3 years, particularly within the last 10 months.

After Congress passed the 50 cent assessment program last fall, angry dairy farmers in several States, outraged at the program because of its inequity and ineffectiveness in reducing production, filed suit against the government in an effort to prevent the assessment's implementation.

Farmers in my home State of Utah felt so strongly about the issue they filed suit in two separate States. In fact, the Utah State Legislature was so incensed by the program they passed a resolution calling for its repeal.

Mr. President, I ask unanimous consent that a copy of that resolution be printed in the RECORD at this point.

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

MILK PRODUCTION TAX RESOLUTION

Whereas, Congress recently authorized the Department of Agriculture to impose a 50 cents per hundredweight assessment on milk production;

Whereas, an additional 50 cents per hundredweight will be imposed on April 1, 1983, if surpluses are not below an acceptable level;

Whereas, this assessment will cost a small dairyman up to $40 per day for every 100 cows, or more than $14,000 per year;

Whereas, the stated purpose of the assessment is to reduce production, but is in fact counterproductive to reducing milk surpluses and unfairly penalizes the small dairyman;

Whereas, most family dairy operations are experiencing very difficult economic times and this assessment will be devastating to dairy operators in Utah; and

Whereas, a proper means of stopping overproduction would be to phase out the Price Support Program and let the free market prevail; Now, therefore, be it

Resolved by the General Session of the 45th Legislature, That the Congress of the United States be requested to repeal this repressive assessment on dairy production and develop a plan to phase out the price support system; and be it further

Resolved, That the Lieutenant Governor forward a certified copy of this resolution to the Speaker of the House of Representatives and to the President of the Senate of the Congress of the United States and to each member of Utah's delegation to Congress.

Mr. HATCH. Their furor with the assessment and with the Congress inability to address this issue has now risen to a thundering roar as producers begin to pay the full dollar required by that law.

The inequity of the current program is, I believe, apparent to all. I hear daily from dairy farmers in my home State, many of whom have never sold a drop of milk to the government. They tell me that the first 50-cent assessment took the profit out of the dairy business and the second is taking their livelihood.

This program is forcing them to do one of three things: Go out of business; increase their herds so that they make up their shortfall by increasing their marketings; or cull their cattle.

The most disturbing aspect of the current situation is the fact that while individual farmers are paying $1 to the government for every hundredweight of milk produced, processing and manufacturing plants continue to receive the $13.10 from the government for their product and are in fact very intent on keeping their plants working at full capacity.

Mr. President, I am willing to be one of the first to admit that we have a significant dairy surplus on our hands that needs to be, indeed must be resolved. But I believe this inequitable inefficient program must be repealed. On this point, there is widespread agreement. However, it is when we begin to discuss an alternative to current law that there is an honest difference of opinion.

Many long hours have been spent in forging a dairy compromise which has been suggested as the only viable alternative to the current law. This plan is embodied in S. 1529. Mr. President, I appreciate the amount of work that has gone into this compromise, but that appreciation does not extend far enough for me to accept it.

This legislation will require the establishment of an elaborate government program which will supposedly last only for a few months. Farmers will be required to establish a base year production level and farmers will be eligible to receive a $10 payment for every hundredweight of milk they choose not to produce, provided they contract with the Government to reduce their marketings between 5 to 30 percent. This plan also continues the 50-cent assessment which has been the object of several different lawsuits in order to pay for the diversion payments and will also require producers to contribute to a mandatory promotion program. The plan also calls for an initial 50-cent drop in the price support to be followed by additional cuts at later dates if purchases continue to be high.

Though well-intentioned, the program embodied in S. 1529 is a complicated, untried program that even the Department admits will be difficult to administer and even more difficult to enforce. Consequently, Senator MOYNIHAN and I are offering this amendment as an alternative to this approach.

This amendment, in contrast to S. 1529, has a historical track record; it has been tried and it has worked successfully. It will initiate a program which will be easy to administer and easy for farmers to understand, and will maintain the structure of the dairy price-support program which, by all accounts, has served this Nation well since first implemented.

This amendment will allow the Secretary of Agriculture to make adjustments in the support price at the beginning of each fiscal year. It will return the discretionary authority he had prior to 1979 to raise or lower the support price but will not allow him to lower it below $11.60.

Mr. President, some have said that $1.50 cut in the support price is too severe and too much too fast and I am sympathetic with their concerns. However, I must point out that this amendment does not decree that the price support must necessarily drop that far. Secretary Block has personally assured me that if he were granted this authority, he would use it with restraint and do only that which was necessary to reduce the dairy surplus and certainly neither Senator MOYNIHAN nor I are interested in needlessly crippling the dairy industry.

However, I would hasten to add that harsh as a $1.50 drop in the support price may sound, if such a drop were made, it would not equal the combined drop in the support price which was made in 1953–55. During these 2 years, the price support dropped 80 cents, an 18 percent decrease. A $1.50 drop in the support price today would be only a 12-percent drop.

And while I point out that this amendment does not mandate a $1.50 drop in the support price, many believe that today's problem may warrant such a drop. This may or may not be the case, but this amendment will give the Secretary the flexibility to respond to changing market conditions and adjust the program accordingly.

In fiscal year 1979, the U.S. Government was purchasing 1.1 billion pounds of milk at a cost of $250 million a year. Today, we are purchasing over 13 billion pounds of milk at a cost approaching $3 billion a year.

Between 1979 and 1982, the price support increased dramatically virtually every 6 months.

I ask unanimous consent, Mr. President, to have printed in the RECORD at this point a table which illustrates the corresponding increases in Government purchases and expenditures as the price support made its rapid ascent.

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

TABLE I.—PRICE SUPPORT LEVEL AND NET CCC PURCHASES/EXPENDITURES, SELECTED YEARS

Marketing year	Price support (per hundredweight)	Milk production (billions)	Government removals (billions)	Government expenditures (millions)
1978–79:				
Oct. 1 to Mar. 31	$9.87			
Apr. 1 to Sept. 30	10.76	$122.5	$1.1	$250.6
1979–1980:				
Oct. 1 to Mar. 31	11.49			
Apr. 1 to Sept. 30	12.36	127.3	8.2	1,279.8
1980–81:				
Oct. 1 to Sept. 30	13.10	132.0	12.7	1,974.8
1981–82:				
Oct. 1 to Oct. 20	13.49			
Oct. 21 to Sept. 30	13.10	135.0	13.8	2,239.2

Source: USDA.

Mr. BOSCHWITZ. Mr. President, what was the period the Senator referred to?

Mr. HATCH. Table 1 is the price-support level and the net CCC purchase expenditures during the market years 1978–82.

Mr. BOSCHWITZ. I thank the Senator.

Mr. HATCH. This increase, coupled with low feed prices and a strong dollar, provided a strong incentive to increase production. Government purchases between October 1978 and September 1980 increased tenfold. The caves in this country, which are filled with mountains of cheese, milk, and butter, I think are a testament to this fact.

In May alone of this year, it is estimated that the Government added 90 tons of butter, 300 tons of cheese and 1,800 tons of nonfat dry milk to our inventories at the CCC on a daily basis. In fact, we are storing enough butter

and cheese to meet the needs of approximately one-half of this Nation's population for 1 year. And we have enough dry milk to meet the needs of our country's entire populace for 2 years.

The incentive to produce has been tremendous, but let us face it, we have too many cows producing too much milk, and I believe it is in the best interest of every dairy farmer, taxpayer, and consumer in the country for Congress to address this problem once and for all. The Hatch/Moynihan amendment will do this.

The Congressional Budget Office estimates that under our proposal government purchases would fall 28.9 percent in 1984, 41.5 percent in 1985, and 58.28 percent in 1986. Under the compromise encompassed in S. 1529, or already a part of S. 1529, we cannot be sure we will get a permanent reduction in production at any time.

Many believe as I do that, while dairymen may reduce their marketings under the compromise plan, they will not necessarily reduce their herds; and in September of 1985, we will mysteriously see a number of dairy cows back into production.

In fact, the cattle and pork industry are terrified at the prospects of this plan and oppose it. The pork industry estimates that the compromise plan would result in a $90 to $180 million loss in net income to pork producers. And the cattle industry likewise anticipates severe financial loss as a result of this program, believing that dairy farmers will keep their young heifers, market their cull cows and older animals to take advantage of the diversion payments, so that when the program is terminated the total herd will not have been reduced by any significant number.

I think as a practical matter, that is what is going to happen.

In contrast, the Hatch/Moynihan amendment has a proven track record. History has shown that a reduction in the dairy price support level does reduce government purchases of excess dairy products. The price support has been lowered four times—significantly three times—1954, 1958, and 1962. On each of these occasions, CCC purchases were substantially reduced.

I ask unanimous consent to have printed in the RECORD, table 2, which covers support price in net CCC removals during marketing years from 1949 up through 1963.

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

TABLE II.—SUPPORT PRICE AND NET CCC REMOVALS, SELECTED YEARS

Marketing year	Support price (dollars per hundredweight)	Decrease in support price (cents)	Net removals (billion pounds) [1]	Decrease in net removals (billion pounds)
1949–50	3.14		2.5	
1950–51	3.07	–7	([2])	–2.45
1953–54	3.74	–11	11.3	
1954–55	3.15	–59	5.1	–7.2
1957–58	3.25		6.8	
1958–59	3.06	–19	3.5	–3.3
1961–62	3.40		11.2	
1962–63	3.11	–29	8.8	–2.4

[1] Milk equivalent.
[2] Less than 50,000,000 pounds.
Source: USDA.

Mr. HATCH. As the preceding chart indicates, Mr. President, the support price was reduced 16 percent in 1955 and government purchases fell 64 percent. In 1959, the support level was reduced 6 percent and government purchases fell 49 percent. In 1963, the support price was lowered 8 percent and purchases fell by 21 percent. I assert that what has worked before will work again.

The amendment will also have a positive effect on consumer prices and has been endorsed by several groups. CBO estimates that under the Hatch/Moynihan plan, consumers will save approximately $2 to $5 billion a year, what better way to encourage consumption of a product than to lower the price, or as the case may be, to prevent a price increase?

In contrast, S. 1529, will most definitely take us in the other direction. In fact, CBO estimates that this program will increase consumer costs by approximatly $3 billion.

That is on top of the consumer difference.

Mr. MOYNIHAN. Mr. President, I wonder if my friend from Utah will yield for a question?

Mr. HATCH. I am delighted, Mr. President.

Mr. MOYNIHAN. Would he not agree that this legislation is as much consumer legislation as it is farm legislation?

Mr. HATCH. I think the distinguished Senator from New York hits the nail right on the head. It is in the best interest of the consumers and, I think, farmers as a whole across the board. I have cited the losses that the pork producers expect to have and the cattlemen are worried about it. It really is in the best interests of the dairymen.

Mr. MOYNIHAN. The American Farm Bureau supports our amendment.

Mr. HATCH. The American Farm Bureau supports this amendment. Frankly, I do not know why we do not change it once and for all and do what is right for this country, for the consumers, for all people who are in agriculture, and above all, over the long term, for those in dairy farming.

Mr. BOSCHWITZ. Will the Senator yield, since they have gotten into a discussion? As he pointed out, in 1953–54 there was lower production with dairy supports. We have this figure of 15.7 percent. He may be correct with his higher figure of 18 percent. What percent of that reduction went to the consumers, since he maintains this is a consumer amendment?

Mr. HATCH. I do not think—I would say any time we quote figures such as these, we have to realize that they are based upon estimates and projections. While I am not necessarily wedded to these figures and realize that there may not be a dramatic effect on consumer savings in the short run, I do not think anybody can dispute that a decrease in the price support will definitely have a positive consumer benefit in the long run. Figures are figures.

Mr. MOYNIHAN. If the Senator will yield to allow me to put this in the form of a question—he having the floor—is it not the case that the Milk Industry Foundation reports in its analysis that a reduction in the price-support level of $1.50 would lower the ingredient cost of whole milk 12.9 cents a gallon, hard cheese 14.9 cents a pound, butter 16.7 cents a pound, and ice cream 22.4 cents a gallon?

Is the Senator aware that the Milk Industry Foundation estimates that these savings to consumers would come to $1.8 billion next year because, while demand for milk is relatively inelastic, milk products are very sensitive to price. The Milk Industry Foundation says that there is $1.8 billion in consumer savings in this amendment which the Senator from Utah and I are offering.

Mr. HATCH. Mr. President, may I further answer the question of the Senator from Minnesota as well? I agree with the Senator from New York.

We asked the CBO to estimate what savings consumers would experience as a result of the Hatch-Moynihan amendment. The CBO estimated that consumers would experience a decline of 0.06 percent in 1984, a 0.17 percent drop in 1985, and a zero drop in 1986.

I have to admit, I think the amount of decrease may be debatable, but I think it is clear that there would absolutely be a decrease in consumer expenses. In contrast, we know that the compromise in this bill will negatively impact consumers. I do not think there is any question about it. Both CBO and the USDA project that commercial sales will increase under the Hatch-Moynihan proposal. Both will increase under that proposal.

Mr. BOSCHWITZ. Will the Senator yield?

Mr. HATCH. Sure.

Mr. BOSCHWITZ. Does the Senator have a sense of what impact the price declines that he spoke about earlier had on the consumer? The Senator spoke about the declines that took place in the early to midfifties, 18 percent. What percentage of that was passed on to the consumer? It is very touching of the Milk Industry Foundation to say that 100 percent of whatever decrease in the support level will go to the consumer, but I wonder if the Senator is familiar with the history of that in the form of commodities in general and dairy specifically? Is every dollar that is reduced in the price passed on to the consumer?

Mr. HATCH. I have to admit that I do not know that anybody can say how much they are going to save, but I do not think anybody can say that there would not be savings to the consumer. I think if you contrast under the dairy price supports how much the price of milk has gone up—I am not sure you can prove one way or the other that if you cut this support, you are absolutely going to have a positive impact on the price of milk. If you increase the sale of milk, which both CBO and USDA say will occur, you will also help get the price down but you also help to firm up the market for the dairy farmers.

Mr. LEAHY. Will the Senator yield at that point? I want to make sure I fully understand the Senator from Utah's answer to the question of the Senator from Minnesota. As the Senator from Utah knows, a number of us spent most of yesterday trying to work to get this bill up, something we had been doing for many months it seems. When Senator HELMS and I were having a colloquy last night about it, I think we said we had 43 meetings trying to get to this point.

As the Senator recalls—I believe he was there for part of this time—we were discussing this amendment and discussing the fact that we all have an interest in saving consumers money. But I asked this same question of Senator after Senator yesterday, the same as I did for months, "Exactly how much of this cut is going to go to consumers?"

Speaking from my own individual experience, I have yet to see such a cut go to the consumer. I have seen substantial cuts, for example, in wheat programs, and yet the amount that the wheat farmer gets for a loaf of bread is about equal to the cost of the wrapper that goes around the loaf of bread. The price of wheat goes up, the price of wheat goes down, the wheat farmer gets more, the wheat farmer gets less, but the price of the loaf of bread does not go down.

I see the same cuts in the dairy price support and I never see it reflected in the grocery store. I go grocery shopping with my family all the time. Is the Senator from Utah saying his price support cut proposal is actually going to be translated into lower prices for consumers? How many cents off a gallon of milk would I see?

Mr. HATCH. Let me try to answer that.

I do have Farm Bureau figures that have been estimated by the Farm Bureau. However, let me preface it by this. I am not sure over the short term I can tell the Senator exactly what the savings to consumers will be. It stands to reason it will be——

Mr. LEAHY. It does not stand to reason on past experience, I tell my friend from Utah, they are necessarily benefiting. Past experience shows that the consumer does not get a cent from this kind of thing.

Mr. HATCH. Past experience shows that if you cut the dairy price support, it will delay a price increase and it will actually bring, we believe, prices down. But let me tell you what I understand the Farm Bureau——

Mr. LEAHY. That is not past experience, I say to my friend from Utah. Past experience has shown that it goes up.

Mr. MOYNIHAN. The Senator from Utah, I think, is being harassed.

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. HATCH. Let me answer the question and then turn to any other colleague who wants to comment on this. It is my understanding that if the support price is reduced $1 per hundredweight, the reduction per gallon, that is, the figure at 8 pounds per gallon of fluid milk, would be about 8.6 cents. That is what could be saved. Total production available for fluid products would be about 49 billion pounds on an annualized basis. So that would be a consumer savings of about $600 million, if you choose those figures. Now, there are those in the industry who feel these are reasonable figures. I think it is difficult for anybody to pin down what will happen other than through economic reasoning, which is what the Senator from New York and I think are offering.

Mr. MOYNIHAN. Will the Senator from Utah yield for a very simple question?

Mr. HATCH. I surely will.

Mr. MOYNIHAN. Is it his belief, if we cannot precisely quantify what will be the decline in consumer prices, that the milk industry is competitive industry? Is not competition characteristic of farming? There are more than 200,000 individual producers. They do not control the market. They try to through cooperatives a bit, but it is competitive. Now, we may not be able to quantify precisely what will be the decline in price because there are many items involved in the vital end product.

Mr. HATCH. That is right.

Mr. MOYNIHAN. But could there be any question that there will be an increase in price if you tax the food and pay people not to produce it?

Mr. HATCH. There is just no question about that. I do not know how anybody can argue with that. I might add that right now we have an artifically induced price that does not allow the market system to work. Under our amendment, the market would work, and we would get rid of the artifically induced price. It seems to me there is no question that the consumers would benefit.

If you look at how the price of milk has increased over the years, it has really gone up. Let me give you a little bit more from this estimate that the Farm Bureau comes up with.

Mr. BOSCHWITZ. If the Senator would yield, I would tell him what past experience has been. Do not talk about estimates. We will tell you what happened in 1953, 1954, we will tell you what happened in 1962, when there were price reductions, how much of the price reduction was passed on to the consumer. And apparently my able colleague from New York does not realize that in the compromise plan that we are also suggesting reducing the price if production does not go down, to the level that he suggests over a period of years.

In 1953, 1954, as the Senator pointed out, the price reduction was 18 percent; 4.6 percent of that 18 percent went to the consumer, so approximately 25 percent of the price reduction went to the consumer. In 1962, there was also a price reduction in the milk support level. It was a 9 percent price reduction. One of those 9 percentage points went to the consumer. There is no evidence from the figures that a sudden upsurge of demand would respond to the lowering of the price. Quite to the contrary. The demand seems to have shrunk in those years rather than going up. So what we are suggesting is an orderly approach to the market. The cost of the program, the cost of what the Senator is suggesting is somewhat higher on budgetary terms than the compromise that we are suggesting, that whatever the consumer might save, the taxpayer is going to have to pay more.

Mr. HATCH. Well, in the initial years, that may be so, although I do not believe it is. But over the long run, I do not think that that taxpayer will pay more.

Second, it seems to me it is very difficult to argue that by maintaining an artifically high price, that really is assessing farmers who are not selling to the Government at an unfair cost, it is going to benefit the consumers in any way. I wonder where the price of milk would be today had we not had those reductions in past years. I, like the Senator from New York, share the viewpoint—at least I have taken the implications from his comments—that

the consumer should have received more benefit from that price decrease. I would like to have seen that, and I hope that they get more benefit from what we are offering today. If they do not, perhaps we ought to see that there is some way that they do get some benefit. But I wonder where the price of milk would be, had we not had those reductions. There is no question I have made a point here that goes far beyond whether or not it is going to save money for the consumers. The present system is unjust. The compromise does not solve the problem. Frankly, there are people in my State and people I think all over the country who feel that they are being ripped off by this artificially high support price.

Let me finish my statement, and then I would be happy to answer any further questions.

I would just add to this discussion at this point that the Farm Bureau estimates that if we had a $1 refund per hundredweight from a fluid milk product, it would be 8.6 cents possible savings on one gallon of fluid milk. It would save about $600 million a year.

A $1 refund—we are talking about a $1 reduction from the present level—could result in about 9.5 cents per pound on cheese. The total production available for cheese is 39 billion pounds in this country. That would be a consumer saving, assuming we could pass it on, but I do not mean to indicate that we can. The consumer saving could be as high as $3.7 billion.

The groups that are supporting our amendment include Milk Industry Foundation, National Ice Cream Association, Pizza Hut, Taco Time, National Pork Producers, Beatrice Foods, Carnation, Sara Lee, Dairy Handlers Distributors, Public Voice.

I think it is important that we give some consideration to their feelings, that it will save the consumers money and that the cost of milk will not go up even more on an artificial basis.

Our amendment will also have a positive effect on consumer prices, we think, just because of this debate. CBO estimates that under our plan, consumers will save approximately $2 billion to $5 billion a year. I agree that nobody can say that, but what better way is there to encourage consumption of a product and to lower the price? Or, as the case may be, to prevent a price increase.

I do not know whether the Senator is wrong with respect to consumption not having increased in the past. But I believe it stands to reason, over the long term, that if you lower the price, consumption will increase, especially in the case of dairy products.

I believe that S. 1529 does take us in the other direction. CBO estimates that if we go with the language in S. 1529, this program will increase consumer costs by approximately $3 billion a year.

I am the first to say CBO does not always have all the answers, and it may not be $3 billion a year, but there is no question that it is going to be an increased cost over what we are proposing today, which is fair to the dairy men and fair to agriculture in general.

Last but not least, the Hatch-Moynihan amendment allows the Secretary to set a price that will be a floor, not an incentive. It repeals the assessments which have been so troublesome and will allow dairy farmers to make their own marketing decisions, and this is how I believe it should be.

The original purpose of the dairy price support program was to insure that a reliable supply of milk would be available to consumers, at the same time providing the farmer with a reasonable return for his efforts. I do not believe anyone could construe from the original purpose of the law that the U.S. Congress has any right to dictate what the advertising practices of a particular industry should be, particularly, when the producers have had no say in the matter. In our amendment, we have called for a referendum to see if farmers do in fact want a national promotion program.

The diversion payment program in S. 1529 is also troubling to me. My calculations indicate that a dairy farmer with a 500 cow herd (and there are 822 farms in this category) would be eligible for payments of approximately $120,000 a year if marketings were reduced 17 percent. Those who do not choose to participate or who cannot participate because of the limitations of the program will have to help pay the bill. The legality of this part of the proposal, will I am sure, be challenged in court.

As I said in the beginning, I am appreciative of the time and effort that has gone into this compromise, but that appreciation does not overshadow the advantages I believe this amendment has.

Today a myriad of criticism is beginning to fall upon the dairy industry.

I think the senior Senator from New York will agree with me that there has been a myriad of criticism following the dairy industry all over this country. He has brought that out very carefully. If we do not act to rectify the situation once and for all I believe the integrity of this program will be substantially weakened.

I invite the attention of Senators to a recent article published in the Wall Street Journal, entitled "Congress at a Cattle Crossing," and I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. HATCH. Mr. President, this article succinctly, and I believe correctly, outlines the causes of the dairy supply problem and urges Congress to take action to successfully address the issue once and for all. I believe the Hatch-Moynihan amendment will do this, and we have the historical record to back up our opinion.

I therefore urge that serious consideration be given to this amendment and sincerely believe that if it is adopted it will successfully address our current dairy crisis.

Mr. President, I would like to express my sincere appreciation to the majority leader, to Senator HELMS, Senator DOLE, and Senator HUDDLESTON and others for their tenacious efforts in bringing this bill to the floor. I know that similar sentiments were expressed last evening when a unanimous-consent agreement was finally reached, and I would be remiss if I did not add my own. I welcome the opportunity to debate this issue, and I am confident that dairy farmers across the Nation are equally delighted that this issue is now before us.

EXHIBIT 1

[From the Wall Street Journal, June 14, 1983]

CONGRESS AT A CATTLE CROSSING

(By Jeffrey H. Birnbaum)

INDEPENDENCE, MO.—The most compelling reason to worry about the U.S. dairy problem can be found here 90 feet beneath Truman Road.

Down in the dark and dusty caverns of a dormant limestone mine, the federal government stores so much surplus cheese, butter and powdered milk that a visitor would be hard pressed to walk past it all in one day. To save time, the management usually provides a golf cart. A tour reveals canyons of cheddar cheese packed in 500-pound barrels and teetering towers of frozen butter in 68-pound boxes. Hundred-pound brown sacks of dried milk line seemingly endless aisles.

In all, the vast chambers of Commercial Distribution Center Inc. contain 61 million pounds of taxpayer-purchased dairy products. That's enough idle food to cover 13 football fields with piles 17 feet high. Most people who visit here say, "This must be all the milk in the world." In fact, explains David Waller, the general manager, "it's only a drop in the bucket."

Indeed, this 80-acre subterranean warehouse holds a mere 2 percent of the 2.9 billion pounds of surplus dairy products owned by the government. A train filled with the total would stretch from New York City to Toledo, Ohio. Taxpayers bought these commodities over the past few years for about $3 billion, or more than $13,000 for each American dairy farmer.

A MODEL FOR SELF-DEFEAT

The purchases are far from over. Encouraged by the high milk price guaranteed by the U.S. price-support program, dairy farmers continue to increase production. At the same time, consumers repelled by that same steep price, among other factors, limit their dairy purchases. The result is a model for self-defeat: The U.S. must spend $275,000 an hour to buy burgeoning quantities of milk products, which, because of their own subsidy, are shunned by the marketplace. At last count, the U.S. paid nearly $5 million a

month to store the surplus in 700 leased warehouses like Commercial Distribution.

Such are the dimensions of a national scandal. In a well-intentioned effort to prevent a shortage of milk, Congress has created the most blatant waste of food and economic resources in U.S. agriculture—a considerable achievement given the recent excesses of federal price-supports. This fiscal year, the U.S. expects to spend more than $21 billion, or 75% more than last year, on farm-subsidy programs. The dairy program alone is expected, officially at least, to cost $2.4 billion, though many believe it may top $3 billion.

Almost everybody believes that the dairy dragon of over-generous price supports must be slain. But, as usual, Congress is wielding the dull blade of politics in the quest. Thanks to the powerful dairy lobby, critics say, Congress again is prepared only to snip at the edges of an issue that requires a courageous thrust. Such half measures, experts agree, only compound the problem.

The compromise solution now floating in Congress reads like a parody of itself. How do we staunch the flow of money into the dairy program? Why, we pay farmers *not* to milk as many cows, of course, says the House Agriculture Committee, which recently approved such a measure by voice vote. The idea isn't unique. Under its now-famous payment-in-kind (PIK) program, the U.S. already is "paying" grain and cotton farmers not to plant about one-third of the nation's cropland. But these PIK farmers are compensated mostly in surplus commodities that the government probably couldn't sell anyway; dairy farmers would get cash.

Funds for these dairy payments would come from an assessment on the dairymen themselves. For each 100 pounds of milk they market, dairy producers would pay 50 cents to the U.S. The government later would return the money to dairymen who cut their production. As added incentive to cut back the price-support level would be reduced, at first slightly, and then much later by stages under certain conditions.

Proponents see this "paid diversion" as a quick and relatively painless way to deplete ever-growing supplies. Other less-controlled methods, such as rapidly reducing the price-support level, they say, would wreak havoc on an important portion of the economy. "The solution is to cull a few cows from all dairy farms and not all the cows from a few dairy farms," says a spokesman for Associated Milk Producers Inc., the nation's largest milk cooperative.

Nonsense, cry many economists and consumer groups. Such payments may cause a brief decline in milk production, they say, but when the payments cease, production is free, and in fact likely, to rise again. Even the National Milk Producers Federation believes that the proposed 15-month payment period is too short to force a permanent decline in the cow population, which at about 10 million is at least one million larger than needed. "Paid diversion" would make dairy farmers even more dependent on the federal dole, critics contend, and place them in a stronger position to demand another bail-out, probably by prolonging the payments.

Other doubters contend that the 50-cent assessment would be needlessly complex and wouldn't raise enough money to cover the cow-reduction costs. But more important, critics say, the whole proposal appears to be just another attempt by major elements of the dairy lobby to postpone the inevitable solution: a simple cut of the price-support level.

"Through artificial means they [the dairy lobby] are trying to buy themselves a little time," concludes Thomas Smith, government affairs director for Public Voice for Food and Health Policy, a consumer group. (And with $1.7 million in contributions to national candidates in 1981-82, the dairy industry's major political action committees surely have the wherewithal to buy a lot.)

The dairy groups' influence derives from more than just cash. "There are an awful lot of dairy farms in an awful lot of congressional districts, and they're organized extremely well," says E. Linwood Tipton, a lobbyist for milk processors, who advocate lowering the price support.

But the time has come to rise above the special interests and to act decisively, many critics say. A reduction of the price-support, or guaranteed minimum level, by at least $1 or more from the current $13.10 a hundredweight is long overdue, they assert. When that happens, the least efficient farmers, who now are kept in business by unrealistically generous prices, would, over time, be forced into bankruptcy. The contraction would shrink the surplus and therefore the need for federal purchases. More buying would be done, instead, by consumers, who would be sure to appreciate cheese that costs less than chopped meat for a change.

A recent study by dairy processor gives a glimpse of the consumers' advantage. According to the study, a $1-per-hundredweight reduction in the support price would cause milk prices to fall nine cents a gallon, cheese to drop nine cents a pound and butter prices to slip 11 cents a pound. Put another way, consumers would save $1.2 billion a year.

SHAMEFUL AND ABSURD

Without question, the cut would cause hardship to many farmers. "Some people are going to have to go out of business," asserts Mr. Smith of Public Voice. But Rodney Leonard of the Community Nutrition Institute adds, "No industry can be protected from market forces indefinitely."

The Reagan administration and at least one dairy cooperative are sympathetic to this reasoning. Agriculture Secretary John Block has long wanted Congress to give him the authority to reduce the dairy price-support. And Dairymen Inc., the huge co-op in the Southwest, also has urged a cut. But after long negotiations this spring, the department and the co-op both accepted the "paid diversion" compromise, nearly assuring its success. Lately the department had complicated things by withholding support for the compromise unless Congress also freezes price-support levels for other commodities—an ever-more-likely possibility.

In the meantime, the dairy hoard mounts faster than the U.S. can give it away. In a nearby Kansas City, Kan., warehouse, three boxcars are being loaded with surplus cheese for dispersal to the needy. But across the track, five other boxcars, filled with newer cheese, are being unloaded. With such massive stockpiles, spoilage is inevitable: One million pounds of dried milk goes "out of condition" (accumulates too much moisture) each month nationwide and must be sold for animal feed.

In a world where the most common denominator among peoples, besides their humanity, is hunger, such surpluses are shameful and absurd. But Congress doesn't appear likely to end the dairy disgrace.

Mr. LEAHY. Mr. President, will the Senator yield to me for a question?

Mr. HATCH. I yield.

Mr. LEAHY. We will continue where we were earlier.

Mr. President, I agree with much of what the Senator has said with respect to what the marketing philosophy should be.

The Senator from Utah must realize that Senator BOSCHWITZ and I and the others in this body who have been working since last spring to put this compromise together have in mind the views of consumers.

For example, in my State, there are probably more consumers than producers; and the producers, themselves, of course, are consumers of necessary foodstuffs. We solicited and brought in the views of consumers and the views of producers.

We wanted to accomplish two things, especially: lower the cost to the Government and lower production.

I tell my friend from Utah that our compromise has some elements of the amendment offered by him and the Senator from New York. In it, there is the possibility of a $1.50 cut in the price support if farmers do not reduce their production over the 15-month period of the paid diversion program.

If we ever are going to get anywhere, we have to reduce production, and simply lowering the price support will not do it.

Does the Senator from Utah doubt that if all we did was to lower the support price without giving an incentive to cut production, dairy farmers would simply increase production? It is one of the easiest things in the world to do. Does he doubt that without such a policy it would happen?

Mr. HATCH. I appreciate the efforts that have been made, and I think it is a step in the right direction. I have expressed in my opening remarks that I think it is a step in the right direction. But I also have said that it does not go far enough.

I also say that the Senator's program, in the last 15 months, is a complex, elaborate program. Farmers will be required to establish a base line production level. They will be eligible to receive a $10 payment for every hundredweight of milk they choose not to produce, and they will continue to increase their heifers while culling out the cows that are not going to be affected; and at the end of the 15 months, we will be worse off than we were. I think we should approach the problem with a little more foresight and try to solve it.

I am appreciative that we have gone as far as we can, but I do not think it is the answer.

Mrs. HAWKINS. Mr. President, will the Senator yield?

Mr. LEAHY. I believe I have the floor.

The PRESIDING OFFICER (Mr. SYMMS). Does the Senator yield for a question?

Mr. HATCH. I yield to the distinguished Senator from Florida.

Mrs. HAWKINS. Mr. President, I ask that my name be added as a cosponsor of the Hatch-Moynihan amendment. I think it is a step in the right direction. It is the only solution to the supply-demand question and the imbalance in the program we have today, which is outrageous.

Producers are generating more milk than consumers are demanding, and the only sensible answer is to cut support prices.

I believe this is a step in the right direction. I believe it should go farther. However, I wish to cosponsor in support of the Moynihan-Hatch amendment.

Mr. HATCH. Mr. President, I ask unanimous consent that the distinguished Senator from Florida be listed as a cosponsor of the Hatch-Moynihan amendment.

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

Mr. HATCH. Mr. President, I am happy to yield for a further question.

Mr. LEAHY. Mr. President, does the Senator not feel, though, that a $1.50 cut in farm price would not go to the consumer, that most of that would be absorbed by the middleman?

Mr. HATCH. I think it is already absorbed by the middleman. They get their price no matter what happens under the program we have agreed to under the compromise plan in this particular bill.

I have no qualms about saying that I would wish to see the dairy farmers always have a break. The question is how far should that break go and should it cost all other dairy farmers and all other members of the agricultural community in the process? I think it does, and I think we have made a good case that it does.

Mr. LEAHY. A $1.50 cut by itself would simply put the average family dairy farmer out of business. It will also cost all of us because we would spend $650 million more in fiscal year 1984 than if our compromise were enacted.

These are things, I say to my good friend from Utah, that we went over and over. Those of us within this working group, the Members of the House of Representatives who worked on it, and I see a distinguished leader, my colleague from Vermont (Mr. JEFFORDS) in the Chamber, one who worked on that in the House of Representatives, considered what would happen with just a straight cut. We considered every single alternative possible here.

We found that a straight cut would simply increase production and the Government would buy 8.2 billion pounds more milk under that than under the provisions of the compromise and most of whatever savings would occur would be absorbed by the middleman. The farmer would get a cut, the consumer would get no benefit, and the taxpayers would pay.

With that in mind, I certainly would not go along with the $1.50 price support cut.

Mr. HATCH. Mr. President, I shall take a few seconds to answer that.

First of all, it does not have to be $1.50. Under our program it can be. We have to place some credibility and some confidence in the Secretary of Agriculture not to do anything to hurt any member of the agricultural community.

Mr. BOSCHWITZ. Mr. President, if the Senator will yield, if the cut is not going to be $1.50 then the Senator should not argue what the size of the savings is going to be for the consumer predicated on that $1.50.

Mr. HATCH. I do not think I have been arguing that.

Mr. BOSCHWITZ. The Senator certainly has.

Mr. HATCH. I said I do not think anyone can come up with exactly what the size of the savings would be other than there will be savings. It stands to reason it would keep prices lower than they would otherwise be.

I am saying the laws of economics tell us as I think the distinguished Senator from New York pointed out.

Let me go to the other part of his question.

The Senator has indicated that if the Secretary of Agriculture would lower the price by $1.50 the dairy farmers would be forced out of business. All I can say is that the decision to go out of business I do not think is based on the price support level alone. Rather, under the present law and under the compromise it is based on whether or not the dairy farmer can receive more than his production cost. That is what it comes down to.

Dairy farmers have been leaving the dairy farming business at an average annual rate of 8 percent a year because of productivity gains, for one thing, and I expect that is going to continue. In 1959, for instance, there were 1,800,000 dairy farmers. In 1982 there are 325,000. That is an 82 percent drop between 1959 and 1982.

So farmers have obviously been leaving the business in good times and in bad times. so there is no easy way to reduce production, and I am not denying that some dairy farmers are going to continue to go out of business as they have in the historical past.

However, I think it is fair to say that our current situation demands that we take action to reduce our production and I believe that the direct price support reduction is the most equitable and the most efficient way.

Mr. MOYNIHAN. That is paying the people not to produce.

Mr. HATCH. The Senator is right.

That is paying them not to produce and keeping prices artificially high and actually allowing people to be paid more than their production costs and encouraging it in the process.

It is a never-ending scheme that turns out. I do not see how anyone can argue it will not damage all dairy farmers and in the end result—it may take years—but in the end the dairy industry is going to be hurt by continuing present law.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. BOSCHWITZ. Mr. President, I wish to respond to some of the things that have been stated on the floor.

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

Mr. MOYNIHAN. Mr. President, if the Senator will withhold a moment, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MOYNIHAN. Mr. President, if I have the floor I wish to comment that I believe the Senator from Minnesota wants to speak and I am happy to yield the floor in order that he do so. I wish a few moments at the conclusion. We do not have a time agreement, but I sense the understanding that we are prepared to vote on the matter.

Mr. HELMS. Mr. President, will the Senator yield 1 moment?

Mr. MOYNIHAN. I yield the floor.

Mr. HELMS. Mr. President, there is no purpose in having a time agreement because I understand there will be a tabling motion in any case.

But I do not want anything to happen until Senator LUGAR is on the floor and can make some comments.

So if Senators will bear that in mind I shall appreciate it.

Mr. HATCH. Mr. President, if the Senator will yield on that point, I ask unanimous consent to add Senator LUGAR as a cosponsor of this amendment.

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

Mr. HATCH. I thank the Chair and I thank my colleagues.

Mr. HELMS. I thank the Senator.

The PRESIDING OFFICER. Is the Senator from Minnesota seeking recognition?

Mr. BOSCHWITZ. Yes, I am.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. BOSCHWITZ. Mr. President, I shall respond shortly to the Senators from New York and Utah, and then I also would be prepared to proceed to a vote.

The Senator from New York has spoken about the dairy program, how it has grown fantastically. My goodness, the Senator from New York has even compared the dairy program to a miscalculation on the scope of Pearl Harbor and it is a record of misman-

agement and the program has failed, and it is absurd in modern government, and so forth.

I only wish that I could use the language as well as the Senator from New York who really does so in magnificent fashion.

Let me talk for just a moment about the price of farm commodities in general and what has brought about this surplus.

Not so long ago, after the terrible incident of the Korean airliner, I heard the Senator from New York call for a grain embargo. Now the Senator from New York will remember it was the grain embargo that caused much of the problems in the dairy industry, caused much of the problems in the farm economy in general. Now he wants to repeat that.

Then he will come to the Chamber in another year or so after another embargo is declared, which the Senator supports, and declare once again that there is a surplus of this or a surplus of that.

I say to the Senator if he wants us to grow it he has to let us sell it as well, and one of my predecessors from Minnesota, Senator Humphrey, used to say about the Russians: "sell them anything and they cannot shoot back at us."

That is indeed one of the things that causes dismay in the agricultural sector—the embargo.

Then we had a series of bumper crops, and then a very expensive dollar and so our exports became too expensive on the world market and that world market was hit with a recession.

All of these things together combined to depress the commodity prices that it just became more efficient and more profitable to collect for the corn by feeding it to the cow rather than selling it on the market.

But the program has not failed. For a 35-year period we have had an even supply of milk. The program has achieved the goals that the Senator from Utah has stated, that we should have a fresh and adequate supply of the most basic food product enjoyed in this country and in the world.

Indeed, I have a sense of what the Senator is talking about, the fact that we should produce all that we can produce. Once again, I have to ask the Senator in that case not to call for embargoes of our principal customers.

The Senator said that the dairy farmer is just going to sit there and collect the check. That is not so at all. This is a diversion program which only allows the farmer to divert 5 to 30 percent of his production, and the Secretary is seeking to reduce production by 8.4 percent, not by large numbers, just 8.4 percent, so that supply and demand can come back into balance.

Mr. MOYNIHAN. Will the Senator yield for a question?

Mr. BOSCHWITZ. Certainly, I will yield for a question.

Mr. MOYNIHAN. The question regards the committee proposal. Will dairy farmers be paid for milk they do not produce or will they not be paid for milk they do not produce? The question is whether this is another farm program that pays farmers not to produce?

Mr. BOSCHWITZ. With their own money, Senator, they will indeed be paid not to produce.

Mr. MOYNIHAN. Their own money, a tax on food collected by the Treasury.

Mr. BOSCHWITZ. It is money that is taken out of the milk checks and therefore really becomes their own. If you make the case——

Mr. MOYNIHAN. Money taken out of the milk check but paid for by the consumer.

Mr. BOSCHWITZ. Mr. President, do I have the floor?

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. BOSCHWITZ. It is indeed a bad thing not to produce. Senator, it is just as bad to put a clamp on selling the product. If you want us to produce, do not run around saying that we should not sell to our principal customers, just sit there and collect the check. That is not the intent, that is not possible under this program.

The Senator may recall that in 1973 the milk market also underwent an adjustment. There was no rise in price, production went down and the price to the consumer went up by 27 percent, and perhaps that is what the Senator wishes to happen again.

If he wants the farmer to take the largest price cut that has ever been foisted upon the dairy farmers, will the price go down? History seems to suggest that the price may indeed go up.

Mr. President, one of the only ways that a young farmer has had to enter farming in recent years has been in dairying. Unfortunately farmers have borrowed, even with the consent and encouragement of the FHA, on the basis of their projected cash flow, and in the event the price is going to be lowered then we are going to have one or two things happen. They are going to go out of business, in which case the public, the taxpayers, will have to pick up those bad debts, those failed mortgages, or young farmers, particularly who have cash flow problems, and once again dairying is really the only way that young people have been able to get into farming in recent years, young farmers who have to increase their production for the purpose of maintaining their cash flow.

The dairy program has been successful. The dairy program has shown over the years that in the event there are price decreases they are not passed on. The most graphic of those examples has been in sugar. The sugar price escalated to higher levels than it had ever been before, and the price of sugar came down and a can of coke stayed exactly where it was, or it went up. That is the history of all farm commodities.

It is important that we in the Senate and Congress protect the most basic industry that exists in this country and indeed the world.

If there were a free market for all producers worldwide then it would be one thing, we could compete very well and there would be no need to have farm programs that have escalated in costs, as the Senator from New York has pointed out, just in recent years.

But we must face the agricultural markets of the world on a realistic basis, and there are supports in every industrial nation in the world. The Senator from New York has pointed out the cost of the farm program is $21 billion to $23 billion. The European Community will spend twice that amount this year. The European Community has spent 10 times what we do in supporting their farmers.

So if it were a free world market, our farmers would do marvelously. If it were a free market in this country, the farmers of my State of Minnesota would do marvelously in comparison to your farmers from New York, Senator, or your farmers from Utah. But because of milk marketing orders we cannot ship certain types of dairy products into your States. If you would like to change those rules, you might really be doing the consumers a favor, and I say the same thing to my friend from Florida. That is not being suggested on the floor of the Senate today and perhaps it should be if you really have the consumers at heart. We are able to produce more efficiently than farmers in Utah or farmers in Florida but we are not suggesting that farmer be pitted against farmer. We are considering that the agricultural sector be considered as a whole. The agricultural sector of this country is at the very base of our economy.

Mr. HATCH. Will the Senator yield on that point?

Mr. BOSCHWITZ. Yes.

Mr. HATCH. Why then if you are not pitting farmer against farmer would you continue the 50-cent assessment in order to pay for a program that our producers neither can nor want to participate in? Why would we continue to do that?

Mr. MOYNIHAN. Why would we call it an assessment when it is a tax?

Mr. HATCH. It is a tax on those who did not want to participate.

Mr. BOSCHWITZ. There is no question, Senator, that surpluses in some States exceed surpluses in other States. Normally there are surpluses in all States during certain parts of

the year, a so-called flush season. But if you have in mind to help the consumer perhaps we could do away with milk marketing orders that give both of your farmers, Senators, vast advantages over the farmers of the Middle West.

Mr. HUDDLESTON. Will the Senator yield?

Mr. BOSCHWITZ. I yield to the distinguished Senator from Kentucky.

Mr. HUDDLESTON. I thank the distinguished Senator from Minnesota.

Let me say that the proposition that is being offered to the Senate in the form of the amendment by the distinguished Senator from New York and others is one of several options that already has been given a considerable amount of consideration. During the period the time when persons from both sides of the aisle and both Houses of Congress, and representatives of the various dairy production ogranizations, were working on the package that is contained in the bill that is before us now, all of the arguments that we have heard today were considered, thought about very carefully, and the consensus was to adopt the program that the bill contains.

There are those who would have favored, if they had had their own particular way, a proposition closer to what the amendment offers.

However, we have got to recognize that, as far as the dairy program is concerned, the ox is in the ditch. We need to take whatever action is possible to take that can be successful that will lead toward correcting that situation. We need to correct it from the standpoint of the costs to the Federal Government, from the standpoint of the difficulties that the dairy farmers are experiencing at the present time, and, of course, from the standpoint of the consumer.

So, for the reason I would hope we would find acceptable in this body, the dairy compromise package that is included in the bill without amendment or other amendments that would substantially change that.

The dairy title of the bill is a delicately balanced package that takes into account the differences that exist across this great country, among the various sections of the country, and among the various producers in those sections. To now unbalance that package, I think, would make it much more difficult for us to achieve any good at all with this legislation.

So I would urge our colleagues to reject the amendment, stay with the package that has been carefully worked out, and I think we will find great improvements in the dairy program.

Mr. HELMS. Will the Senator yield?

Mr. HUDDLESTON. I yield to the distinguished floor manager.

Mr. HELMS. I thank my able colleague from Kentucky. He is exactly right. I hope Senators will not operate under the illusion that they really have a choice between the compromise and the Moynihan amendment.

Now, as Senator HUDDLESTON has eloquently stated, all of us have different ideas about all commodities. The less we know about commodities, the more we tend to fashion legislation. But if the Moynihan-Hatch amendment is adopted, then there will be no compromise package. We will stay where we are. Regardless of how much anybody might admire and support the Moynihan amendment, if is not going to hold together the fragile coalition that we have put together on all of these commodities. Right now we are holding it together with baling wire and scotch tape. I daresay there is not a dairy representative who likes it.

Senator HUDDLESTON will join me in testifying that nobody likes the tobacco approach, the no-cost tobacco program. We have to run pretty fast sometimes in Kentucky and North Carolina to keep from getting lynched. But the truth of the matter is we have done the best we can.

Now let me tell you what CBO says with respect to what the various options, if they were options, will cost. In 1984, the current law will cost $838 million. The committee compromise will cost $74 million extra. Now I do not like that, but it is $74 million extra. The Moynihan amendment in the first year will cost $865 million extra.

In 1985, if we let this coalition, this fragile coalition, fall apart, we will continue to have what we have and it will cost taxpayers $1.370 billion, according to the CBO. The committee compromise, I say to my distinguished colleague from Kentucky, saves $71 million if we could get that into law. While the Moynihan amendment would cost $219 million extra.

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

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

BUDGETARY IMPACT OF DAIRY PROPOSALS

[Dollars in millions]

	1984	1985	1986	3 year total
Current law	$838	$1,370	$1,754	.....
Committee compromise	[1] 74	[2] 71	[2] 333	[2] $336
Moynihan amendment	[1] 865	[1] 219	[2] 382	702

[1] Extra.
[2] Saves.
Source: CBO.

Mr. PROXMIRE. Will the distinguished chairman yield?

Mr. HELMS. I am happy to yield.

Mr. PROXMIRE. I thank the Senator.

Mr. HELMS. I will yield the floor, as a matter of fact.

Mr. PROXMIRE. I would like to point out that the figures the senator gives, I am sure, are accurate from the Congressional Budget Office, but the Department of Agriculture gives even more decisive figures.

They show the compromise would cost, in 1984, some $640 million less than the Moynihan amendment would cost and would cost some $300 million less than current law.

Mr. HELMS. The Senator is correct.

Mr. PROXMIRE. And in 1985 you have roughly the same kind of a situation, only a little more so, with greater savings for the compromise compared to both current law and the Moynihan amendment.

From the standpoint of the taxpayer, this is the most economical proposal.

Mr. HELMS. I used the CBO figures, as the Senator knows, because these are the figures we used in our budget considerations in the Senate. But the Senator is correct, the Department of Agriculture figures are even more decisive.

Mr. President, I yield the floor.

Mr. LUGAR. Mr. President, I rise to support the Moynihan-Hatch amendment. I do so after a careful reflection of the alternatives.

The chairman of the Agriculture Committee, the distinguished Senator from North Carolina, has presented quite accurately the fact that this legislation is fragile. As all of us know from the colloquies yesterday, it arises in this form because of disagreements among the Members of this body on whether we ought to be discussing a program that the Secretary of Agriculture and others feel was imperative for this body to consider.

Just to review the bidding, the Secretary pointed out that the target prices for corn, and wheat, cotton, and rice are likely to lead to even higher expenditures by the Federal Government in the years to come. There is certainly a disagreement in this body as to whether we ought to discuss that issue or let the 4-year farm bill run its course and simply hope that circumstances—the weather or the markets or exports—might be of assistance to us. That is not a very good hope.

Many Members have already pointed out in these past few days that however one calculates the agriculture bill it appears to have amounted to over $20 billion, some say $22 billion and others as much as $25 billion. And this is a very sizable sum of money which has been avoided. As a matter of fact, difficult decisions have been avoided to a point that the legislation is truncated now to simply a discussion of dairy and tobacco. Many Members of this body prefer to simply let the clock run on. And this is at the very time that

the consuming part of our rhetoric is about the deficit and about interest rates and about general fiscal policy. It is impossible to miss $20 billion to $25 billion and to take a look at what is suggested as a compromise amendment or now a compromise bill as somehow having general endorsement of this body.

I think the point is the compromise has been made among Senators who have dairy interests. Only these persons were involved in the compromise. I hope that the rest of the Senate that has a general interest in the budget, a general interest in fiscal policy of this country, is listening to this debate, because we are talking about a sizable sum of money and it all boils down now to a very fragile bill, a very small issue.

Now, having said that, the choice is a clear one. Those who have wrestled with the dairy problem, principally Senators with dairy interests that are substantial, have tried to fashion a compromise that includes the payment, now described by the Secretary of Agriculture as despicable, the 50-cent payment, that is retained, and hopefully it is used in part to fund a payment in cash—not payment in kind, but payment in cash—to the dairy farmers not to produce more milk and butter. It is a national scandal presently that we review frequently in all of our rhetoric about national programs, that caves in the United States are filling up with butter and cheese, and that we have no idea how we would consume 8 to 10 percent more production than we have any hope of consuming every year. The compromise suggested by the committee and the part of the bill we are trying to amend here clearly aggravates that situation.

The dairy farmers are going to find avenues out of this dilemma, and there are several. Each of us who has dairy farmers have discussed this legislation. Dairy farmers will point out how you change the feed ratio, how you cull out particular animals, how you, in essence, keep in the game so that when the game changes you go back to production as it was. And that is perfectly rational, to maximize profits.

Anyone feeling that this is going to lead to much of a change I think is in error. The Secretarty of Agriculture finally found the whole thing so marginal that he said unless you have some caps on target prices, you ought not to proceed with this dairy business at all. The whole dairy compromise is marginal, in terms of national policy.

The distinguished Senator from New York (Mr. MOYNIHAN) and the distinguished Senator from Utah (Mr. HATCH) have come forward with at least a breath of fresh air in this debate. They have offered a perfectly straightforward, simple amendment which says under the market system in this country, if you lower support prices, it is at least logical that people will probably produce less. It is not axiomatic. It may be that even with a lower support price, people will continue producing, but the Federal Government is not going to pay them as much to do it. For many years, specifically 1949 to 1977, several administrations gave the Secretary of Agriculture the power to bring the support price up and to lower it, as the case may be, to try to adjust to the problems of the dairy industry. For 28 years the system worked admirably.

Unfortunately, in 1977, we went to break the bank, and we have succeeded in doing so ever since. There has been no correlation between supply and demand in dairying since 1977 and there will not be until the support price comes down.

The Hatch-Moynihan amendment is permissive. The Secretary is not mandated to reduce the dairy support price. One might argue that $1.50 cut is inadequate. But that remains a pragmatic judgment of the Secretary.

I would simply say to my colleagues, those who believe in the market system, those who have any desire to try to move toward fiscal sanity, even in one small part of agriculture, they would have to be in favor of this amendment. I simply wish in equity that we could say the same to producers across the board. Dairy people today will argue, "Why are we in trouble? Why should we be bearing the burden of the Moynihan-Hatch amendment, whereas everyone else has gotten away scott free?"

There is a problem of equity here, of course, but we have one opportunity. That is all the agriculture legislation that remains.

Mr. MOYNIHAN. Will the Senator yield for a question?

Mr. LUGAR. Yes, I yield for a question.

Mr. MOYNIHAN. I know he is aware that New York State is the third largest producer of milk and the second largest consumer, but is he aware that the New York State Farm Bureau supports this amendment?

Mr. LUGAR. I am aware that the New York State Farm Bureau supports the amendment and as the debate has already suggested the entire American Farm Bureau supports the amendment. The American Farm Bureau not only supports it but has published in each and every periodical details about the mounting scandal that this represents.

We are talking about the very largest farm organization in the United States of America and each of its affiliate State organizations lined up behind it.

The Farm Bureau would have liked to have done a lot of other things, too, as perhaps the Senator from New York and the Senator from Indiana would like to have seen. Once again, we are dealing now just with dairy price supports. But we are dealing with a very conspicuous problem and it cannot be evaded.

I am very hopeful that Members on both sides of the aisle who have at least some thoughts about the general economic outlook of this country can rise to the occasion and support this amendment.

The Senator from North Carolina may be correct.

Adoption of the Moynihan-Hatch amendment may mean that this legislation, which is very fragile, disappears. In my own judgment, that would not be a great loss. I think it was marginal at the beginning as to whether the so-called dairy compromise was of value.

If this legislation cannot sustain a healthy marketing-oriented amendment, then it probably deserves to fail. It should have included much more.

Having said that, I congratulate my colleagues from New York and Utah for their initiative and their courage and their ability to escalate into this debate a very important issue in behalf of the economy of this country.

Mr. MOYNIHAN. I thank my friend.

Mr. BAKER addressed the Chair.

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. Mr. President, I will not take very long. I hate to appear in the role of a spoiler. I really want to see if we can get to a time to vote on this amendment and get on with the passage of the bill. It would be my purpose, as I advised the distinguished Senator from New York and the managers of the bill, to offer a motion to table the amendment when Members have had their say. I see the Senator from Iowa on the floor. I will not make the motion until the parties are ready but I hope we can get to it pretty soon.

Mr. JEPSEN addressed the Chair.

The PRESIDENT pro tempore. The Senator from Iowa.

Mr. JEPSEN. Mr. President, today we have before us an extremely important piece of legislation. We have heard many arguments outlining the need for it. The dairy program has, over the years, proven itself a valuable tool. The program has worked to assure that we would have an adequate supply of milk by assuring producers of an adequate income to maintain their operations. The problem is, we have a mounting surplus. We all recognize the tremendous amount of Government purchases of milk during the last couple of years cannot continue.

Mr. President, in the committee report, on page 9, there is a table which shows the amount of milk

which has been produced, milk supply and utilization in selected years.

I will keep it simple. Between 1972 and 1982, we have had a 13-percent increase in production.

If you turn to page 12, we have the per capita civilian consumption of milk. Between 1972 and 1982, we had a 2-percent reduction in consumption. Therefore, we have a 13-percent increase in production and a 2-percent national decrease in consumption. You do not have to be an economist, you do not have to be a professor, to figure out we have a problem.

Two years ago, I was among those who led the battle to try to help face what we projected at that time would be some real trouble in this dairy program in the country. I said it at that time, and I am repeating it now. My family is still in business—we have a dairy, as well as a cow-calf operation, and a hog confinement feeding operation. I spent some 4 days in Iowa and I talked to a lot of people—not thousands, but many people who are dairy farmers who milk the cows, who produce the milk.

I did not find under any circumstance or in any situation a single person who supported this assessment. No one liked it.

Be that as it may, let us examine this.

The distinguished Senator from Indiana said that it is logical that if we lower the price support for milk people are going to produce less. I would like to take that one step further. If we have a lower price support, one with which the dairy people can still make a profit on—I want to make it very clear that we must have a profit in all areas of farm production. If the farmer is paid less going in for a hundredweight of milk, then it does seem logical, contrary to what some say, that the consumer should expect, in the normal private sector process, some reduction in the price of the most blue-chip quality food we have on the market today, milk, whether it be 25 cents a gallon, 10 cents a gallon, or 5 cents a gallon.

It further is logical, and has been throughout our history, that if people have a little lower price, they probably are going to consume more milk. Now we are getting at the problem, that is, we should raise the consumption, and then lower the production of milk; then we are headed in the right direction.

I might also add that some folks several years ago—and I did not agree with them then nor do I now—expounded that all the red meats and dairy products are bad for you. Most of them came from the banks of the Potomac here. For some reason, when people get a drink of this Potomac River water, they suddenly somehow get some kind of divine guidance that they know better what is best for people than the people do. Now we have reports coming out by a more scientific community that says we have a calcium deficiency in our society today, and that if we just drink one more glass of milk or have one scoop of ice cream every day, our teeth would look better, they would stay in instead of falling out, our fingernails would be healthier, we would have a little spring in our step, a song in our heart, a twinkle in our eye, we would enjoy better what we eat, all kinds of good things would happen.

I predict consumption is going to go up here. But this amendment embodies basically everything that people who are farmers—that is where I come from—know best. If we take this amendment and have a referendum on it, letting those vote who are producing the milk, I predict they would vote overwhelmingly to provide some type of checkoff or form of it to be used to support increased milk consumption. The soybean producers have done it successfully, the pork producers have done it successfully. Pork producers and soybean producers are one and the same in my State with dairy folks. They would use the checkoff funds to tell people what a good buy milk is, to increase consumption, and how healthy milk is for you.

What is the price—I do not mean any reflection, but I do not know what the price of a martini is. Can the Senator from New York (Mr. MOYNIHAN) tell me what a martini costs today?

Mr. MOYNIHAN. Mr. President, I quit the day I became a lieutenant junior grade, about 30 years ago.

Mr. JEPSEN. I do not know whom to ask, but I would guess the price of milk is somewhere in the neighborhood of 18 cents. The last time I had a chance to price one, I think martinis were $2.75 for about one-fifth as much.

Mr. President, I would suggest that if we do what we should do—that is, vote for this amendment—we are going to be a lot farther along the line to solving our problem.

I might say, in closing, that I think—in fact, I believe and know—on the basis of my discussions with those on the firing line, those who are producing milk in Iowa, that this is what they want.

Somewhere between those folks out on the ranch and who are on the firing line, and those back here in Washington who are representing them, the signals get mixed. I find it somewhat mysterious to observe what those on the producing line really believe and really are saying and what comes out here that is different.

Suffice it to say that I think this is the route and I suggest and urge my colleagues to support this amendment.

Mr. KASTEN. Mr. President.

The PRESIDENT pro tempore. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I rise in opposition to this amendment. As I sit here and listen to this debate, I think we just have to focus, look at what in fact is happening—not what we want to happen, not what we think is going to happen, not what some theory says is going to happen. We have, in the last 1½ years, had some experience with this. We have increased the assessment by 50 cents, now by another 50 cents. What is going on in the marketplace right now? One of the assumptions made by the authors of this amendment is that if we would reduce the support price, we are going to reduce the consumption of milk. We have been reducing the support price through assessments, first by 50 cents, then by another 50 cents in September. Has the production of milk increased or decreased? The production of milk has increased, not gone down. It went up because people are trapped.

The farmers who are working with these products right now are caught in a squeeze. They sit down at their kitchen table on Saturday morning and say, "In order to meet our costs, we have to get x number of dollars of income. In order to get that x number of dollars of income, if the price goes down per hundredweight, we have to produce more." So farmers across this country, large and small, have been producing more, not less. It is an assumption that is being made that if we knock the price down further, people will produce less.

Actually, what is happening—not what is going to happen, not what we think is going to happen, not what some economist thinks is going to happen—what is actually happening is that people are producing more.

The Senator from Iowa says if we reduce the support price, the price is going to go down to the consumers, at the store; people are going to buy more milk. Let us look at it last year. We dropped the support price by 50 cents on April 16, and in December we dropped it by another 50 cents. I ask any Senator, has the price of milk gone down or up in the store over the last year? It has held its own. In some places, it is going up.

Mr. JEPSEN. It has not really dropped the prices. I thought this was an assessment.

Mr. KASTEN. The effect of the 50 cents is to reduce, to knock down the price.

Mr. JEPSEN. May I suggest that what has actually happened in Iowa, and this is just as of August, from people I have talked to that are producers, as well as their neighbors, is that this 50-cent assessment has done nothing more than to prompt them, for whatever reason, to go out and buy an additional cow or two to make up

for that. That is what the Senator is saying.

Mr. KASTEN. That is the problem. What we want to do is come up with some kind of system—and the compromise has elements of this—which will allow people to do what they ought to do; level out their production, and cull out the inefficient producers of the herd, so that we get the marketplace back in line with supply and demand.

All of us need to work together in order to increase consumption of milk and milk products. We can do that domestically, and in foreign markets as well.

Mr. MOYNIHAN. Mr. President, will the Senator yield for a question?

Mr. KASTEN. I shall be pleased to yield.

(Mr. D'AMATO assumed the chair.)

Mr. MOYNIHAN. I think it is possible that a fundamental misunderstanding has entered into our debate here. The assessment, which is a tax, does not change the support price. The processors get the present support price. They take the dollar out of the milk check that goes to the farmer. But if the market is below the support price, they just ship milk off to the Commodity Credit Corporation.

Mr. KASTEN. The Senator is correct. The point I am trying to make is that, by reducing the price per hundredweight, whether it is by 50 cents or whatever, the assumption is being made by some on the floor that if we reduce the price paid to the producer—the farmer—he will produce less milk. That assumption is being made here: Reduce the support price and the dairyman will produce less milk. That is just not what is happening. We have reduced the farmers paycheck and he is producing more milk, not less. This would further harm the producer and I think that we would see dairy farmers go out of business or go bankrupt or go under. Maybe that is what the Senators are hoping to accomplish.

Mr. President, I hope this amendment is defeated. I think the amendment is wrong. I think it is bad. The price paid to dairy farmers has been frozen for better than 2 years, assessments have been levied, yet production is still going up. There are better ways we can solve this problem I hope the Moynihan/Hatch amendment is defeated.

I ask to——

Mr. MOYNIHAN. Mr. President, on a point of personal privilege, I hope the Senator from Wisconsin did not mean to suggest that it is the intention of the Senator from New York or the Senator from Utah that farmers go bankrupt. I would like to hear him say that he did not make that suggestion.

Mr. KASTEN. Mr. President, I do not think any of us want to see farmers go bankrupt. I do not think the Senator from New York, who has almost as many farmers as we do in Wisconsin, wants to see farmers go bankrupt, either. I am not suggesting that is the purpose of this amendment. What I am suggesting is that there is a better way to solve this problem.

Mr. MOYNIHAN. There may well be, but the so-called compromise bill certainly is not it.

Mr. KASTEN. If this amendment is passed, I believe we will create a very serious financial difficulty for the farmers.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, I am certainly not going to unnecessarily drag out this debate because I know we need to get to a vote on this amendment. I simply wanted to point out as chairman of the subcommittee that conducted hearings on this issue back in April, hearing the diverse range of suggestions for dealing with this problem of overproduction and excessive cost to the Government of the dairy program, we were confronted with a very complex challenge.

After months of very, very hard work, a delicately crafted bill has come to the floor of the Senate. The Senate Agriculture Committee has recommended to the Senate that this bill be passed as the best possible program to implement at this time to help save the dairy industry, protect the interests of consumers, and lay a basis for a continued program for milk and dairy products when the new farm bill has to be drafted. I urge the Senate to reject this amendment and support the recommendations of the Senate Agriculture Committee.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, I just happened to walk into the Chamber. I thought we were on final passage. We are still on the amendment that we started on yesterday. As I understand, there is some hope we may leave here today if we dispose of some of these amendments. I have the greatest respect for the Senator from New York and the Senator from Utah, but this compromise has been about 6 months in the making, and it would seem to me that if we do not have the compromise, we are going to have that assessment that nobody likes because we are not going to have a bill. I am going to be here all weekend, but I would hope that we might dispose of this amendment and move on to some of the others. There are eight or nine pending. I yield the floor.

Mr. MOYNIHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. I am prepared to speak for 2 minutes and then I think that the supporters of the amendment will have made their point.

Three points, Mr. President. First, with the greatest respect for the Senator from Kansas, I would not say it has taken 6 months to craft this compromise. I would say it has taken 6 months to craft this deal. Second, at this moment we have a tax on milk. The committee compromise continues to tax milk. On the other hand, milk is one of the few agricultural products which this country still does not pay farmers not to produce. The compromise bill will now institute a program to do so. We will pay farmers not to produce even though the farmers asked that this not happen. It offends the very life of a farmer to be paid not to produce food.

But last, Mr. President, this is not a farm issue. This is a consumer issue. Anybody who votes against this amendment will, in my view, vote to raise the price of a basic food for consumers of this country.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER (Mr. PRESSLER). The Senator from New York has the floor.

Mr. LEAHY. Will the Senator yield?

Mr. MOYNIHAN. I yield.

Mr. LEAHY. Mr. President, perhaps to some what may be one man's deal might be another statesman's legislative progress. It depends on the eye of the beholder. But I yield to no Member of this body in my interest for the consumers or my interest in consumer-oriented legislation. I think my record over nearly 9 years shows that.

But I also remind my good friend from New York and my neighboring State that farmers are also consumers. Somehow we seem to forget, when we are talking about farm legislation, that the producers of the food of this country are also consumers. They have as much of a right to be protected as everybody else.

Those of us who live in a rural State know full well that milk does not grow in the grocery store, that wheat or beef or anything else does not grow in the grocery store but is produced by the hard work of the men and women in this country. In the dairy industry, that is primarily the individual family farmers.

What we have tried to do is not craft a deal but to work out a legislative program, a bipartisan legislative program that will cut production, that will cut the ultimate cost to the taxpayers of this country but do it in such a way that family farms can stay in business. This is not a throw-the-baby-out-with-the-bath-water kind of program that will put these farms under overnight, but something that can rectify a situation that has been

long aborning. This program keeps faith with the men and women in this country who work harder than virtually every other segment of the country.

Mr. PROXMIRE. Mr. President, I will take only 2 minutes. I know we are anxious to move to a vote.

Mr. President, many of us criticize the Department of Agriculture, but when we come to a source of statistics on the farm, particularly the dairy farm, that is the place we have to go. That is the authority.

A recent USDA analysis of the current law—assessment program—the compromise presented in S. 1529, and a price support reduction of $1.50 per hundredweight, indicates that the compromise is the most effective vehicle for obtaining an immediate reduction in milk production; reducing Commodity Credit Corporation purchases of dairy products; reducing Government costs under the price support program; reducing Commodity Credit Corporation inventories of dairy products; and maintaining farm income while accomplishing these purposes.

It is for this reason that Members of the Senate and House have joined with administration representatives to develop this plan. All of the available options, including a price support cut of $1.50, were considered in developing the compromise. The need to effectively address the five points listed above was the reason why the compromise plan was adopted and has been endorsed by Democrats and Republicans in the Senate and House by the administration. We need something that will work and work quickly. This will do it. It allows the dairy farmer to make his own decision as to whether to reduce production, maintain it at current levels or even to increase output. A price support cut gives the farmer no such option. The desired production cut would come only as farmers are forced out of business entirely.

An argument advanced in favor of a price reduction is that the reduced price of milk and dairy products would spur consumption as consumers respond to the lower prices. Experience indicates that little can be expected in this regard. Dr. Truman Graf, University of Wisconsin economist, recently analyzed year-to-year price changes for fluid milk and processed American cheese at retail and the farm price for the milk going into these products. Dr. Graf's basic conclusions were:

In summary, retail dairy prices do not automatically change with farm milk prices. Increases in farm milk prices are generally outstripped by the increases in retail dairy product prices. More importantly, reductions in farm milk prices have generally been accompanied by increases in retail dairy products prices, because of increased marketing costs which are automatically reflected in retail prices.

Mr. President, I ask unanimous consent that three tables be printed in the RECORD at this point.

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

[In millions of dollars]

	Fiscal year—				
	1983	1984	1985	total 1983–85	total 1984–85
Gross CCC purhcase costs:					
Current law	2,709	2,525	2,639	7,873	5,164
Compromise (H.R. 1875) [1]	2,709	426	1,029	4,146	1,455
Lower support $1.50 [2]	2,709	1,517	1,104	5,330	2,621
Net CCC purchase costs:					
Current law	2,749	2,667	2,788	8,204	5,455
Compromise (H.R. 1875)	2,749	568	1,178	4,495	1,746
Lower support $1.50	2,749	1,659	1,253	5,661	2,912
Deductions:					
Current law	375	1,354	1,365	3,094	2,719
Compromise (H.R. 1875)	375	571	201	1,147	772
Lower support $1.50	375	0	0	375	0
Diversion payments:					
Current law	0	0	0	0	0
Compromise (H.R. 1875)	0	1,022	471	1,493	1,493
Lower support $1.50	0	0	0	0	0
Net costs: [3]					
Current law	2,374	1,313	1,423	5,110	2,736
Compromise (H.R. 1875)	2,374	1,019	1,448	4,841	2,467
Lower support $1.50	2,374	1,659	1,253	5,286	2,912

[1] Diversion payments and deduction implemented on December 1, 1983, and continue through February 28, 1985.
[2] Lower support effective October 1, 1983.
[3] After adjustment for deductions and diversion payments.

	Fiscal year—		
	1983	1984	1985
	Dollars per hundredweight		
Manufacturing grade milk price:			
Current law	12.58	12.78	13.75
Compromise (H.R. 1875)	12.58	13.85	13.20
Lower support $1.50	12.58	11.60	11.60
All milk sold to plants:			
Current law	13.58	13.78	14.75
Compromise (H.R. 1875)	13.58	14.85	14.20
Lower support $1.50	13.58	12.60	12.60
Effective farm price:			
Current law	13.31	12.78	13.75
Compromise (H.R. 1875)	13.31	14.45	13.95
Lower support $1.50	13.31	12.60	12.60
	Million dollars		
Farm cash receipts: [1]			
Current law	18,170	17,440	18,910
Compromise (H.R. 1875)	18,170	18,930	18,740
Lower support $1.50	18,170	17,030	16,810
Consumer cost:			
Current law	33,560	34,830	37,510
Compromise (H.R. 1875)	33,560	36,640	37,510
Lower support $1.50	33,560	34,430	35,940

[1] After adjustment for deductions and diversion payments.

[In billion pounds]

	Fiscal year—		
	1983	1984	1985
Production:			
Current law	137.7	137.5	138.5
Compromise (H.R. 1875)	137.7	125.2	132.0
Lower support $1.50	137.7	136.2	134.4
Commercial use:			
Current law	121.3	122.0	124.0
Compromise (H.R. 1875)	121.3	123.7	126.3
Lower support $1.50	121.3	125.8	127.9
CCC net purchases: [1]			
Current law	16.8	15.5	15.0
Compromise (H.R. 1875)	16.8	1.7	6.1
Lower support $1.50	16.8	9.9	6.9
Ending CCC uncommitted inventory: [1]			
Current law	19.7	20.0	20.8
Compromise (H.R. 1875)	19.7	6.3	0.6
Lower support $1.50	19.7	14.5	7.2

[1] Milk equivalent.

Mr. PROXMIRE. Mr. President, finally, I ask unanimous consent that the analysis made by Truman F. Graf, an agricultural economist with the University of Wisconsin, entitled "Analysis of Dairy Price Variations—Farm Compared to Retail," be printed in the RECORD.

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

ANALYSIS OF DAIRY PRICE VARIATIONS—FARM COMPARED TO RETAIL

(By Truman Graf)

"Cut farm milk price supports" became a popular refrain in recent years as U.S. milk surpluses mounted—to over 10% of milk production in 1982 and 1983. Advocates contend a price support cut will increase dairy sales, thereby eliminating or at least reducing the 14.3 billion pound milk surplus registered in 1982, and the even larger surplus projected for 1983.

A $1.10 per cwt. reduction in the price support level to $12.00 has been one of the more prominent proposals. Proponents indicate a support price adjustment of this magnitude would work out approximately as follows using annual 1982 data.

$13.10 per cwt.−$1.10 per cwt.=8.4% reduction in farm price.

$25.69 per cwt.−$1.10 per cwt.=4.3% reduction in retail price.

−10% retail dairy price=+4% retail dairy sales.

−4.3% retail dairy price=+1.72% retail dairy sales.

121.3 billion pounds commercial milk sales x 1.72%=+2.1 billion # milk sales.

Larger price support reductions would result in correspondingly larger increase in commercial sales, and therefore larger reductions in milk surpluses.

Critics question these conclusions, contending a major flaw—the assumption that reductions in farm milk prices will result in equal or even any reductions in retail dairy prices, which are necessary to achieve increased commercial sales.

Who is right? The answer which has major implications with respect to dairy price support policy, is the focus of this article.

The two major dairy products, fluid whole milk, and American cheese, were used in the analysis. Year to year changes in farm milk prices and retail prices for the two products from 1960–82 were determined, and compared. Results are presented in Table 1.

TABLE 1.—ANNUAL U.S. FARM AND RETAIL PRICE CHANGES FOR FLUID WHOLE MILK, AND PROCESSED AMERICAN CHEESE 1960–82

[In cents]

Year to year changes	½ gal fluid whole milk		½ lb processed American cheese	
	Farm price change [1]	Retail price change	Farm price change [2]	Retail price change
1970–71	+0.72	+1.50	+0.62	+2.32
1971–72	+.86	+.83	+1.34	+1.65
1972–73	+3.98	+5.66	+6.05	+6.02
1973–74	+5.73	+12.93	+4.07	+12.61
1974–75	+.33	+.17	+2.63	+3.83
1975–76	+5.40	+4.19	+4.36	+9.70
1976–77	−.46	+1.17	+.50	−.25
1977–78	+3.49	+3.92	+4.95	+5.98
1978–79	+6.36	+8.78	+6.63	+11.37
1979–80	+3.87	+8.34	+4.54	+10.40
1980–81	+3.96	+6.81	+3.47	+9.51

TABLE 1.—ANNUAL U.S. FARM AND RETAIL PRICE CHANGES FOR FLUID WHOLE MILK, AND PROCESSED AMERICAN CHEESE 1960–82—Continued

[In cents]

Year to year changes	½ gal fluid whole milk		½ lb processed American cheese	
	Farm price change [1]	Retail price change	Farm price change [2]	Retail price change
1981–82	−.30	+.72	−.24	+3.12
1960–70 average	+.76	+.91	+.64	+1.60
1970–80 average	+3.03	+4.75	+3.57	+6.36
1980–82 average	+1.83	+3.76	+1.62	+6.32

[1] Average U.S. Federal order class I price.
[2] Average U.S. price for farm milk used in American cheese.

Data in Table 1 reveals that year to year retail price changes for both fluid whole milk and American cheese were generally more than farm milk prices changes for these products. Furthermore, in each instance since 1970 when farm milk prices dropped, retail prices for the two products actually increase. (1976–77, and 1981–82 for fluid whole milk, and 1981–82 for American cheese).

In 9 of the 12 years since 1970, retail prices for fluid whole milk either increased more than farm milk prices for the product, or increased when farm milk prices for the product declined. For American cheese, retail price changes outstripped farm price changes in 10 of the 12 years.

The same picture emerges if we go back another decade to 1960. Since 1960, retail price changes for fluid whole milk were greater than for farm milk in 16 of the 22 years. For American cheese, retail price changes were greater than farm price changes in 19 of 22 years.

The averages for the decades of the 1960's, 1970's, and 1980's are also indicated in Table 1. Retail price changes for the two products far outstripped farm price changes in each of the three decades, and have generally widened dramatically in recent years.

Marketing margins between retail and farm prices for fluid whole milk increased from 28 cents per one-half gallon in 1970, to 50 cents in 1982,—a ¾ increase. For cheese the increase was from 27 cents to 65 cents per one-half pound,—a 1⅓ increase. Increased marketing costs have automatically increased marketing margins, hence retail prices for the dairy products. Unfortunately for farmers, increased costs to them do not automatically increase farm milk prices, which may in fact decline, as in 1982.

Figures A, B, C, and D, further illustrate these farm-retail dairy price relationships.

In summary, retail dairy prices do not automatically change with farm milk prices. Increases in farm milk prices are generally outstripped by the increases in retail dairy product prices. More importantly, reductions in farm milk prices have generally been accompanied by increases in retail dairy product prices, because of increased marketing cost which are automatically reflected in retail prices.

Thus the modest 2.1 billion pound increase in commercial sales and hence reduction in price support purchases projected earlier from a $12.00 per cwt. support price, likely overstates the actual increase in sales if any. Why? Because retail prices will not decrease $1.10 per cwt., even though price supports are reduced $1.10 per cwt. A reduction in dairy price supports does not automatically result in a decrease in retail dairy prices, and therefore an increase in commercial sales. Proposals to reduce dairy surpluses by reducing price supports, ignore the fact that retail dairy prices do not automatically drop when farm milk prices drop.

[Figures A, B, C and D not reproducible for RECORD.]

Mr. HATCH. Mr. President, in summary, let me stress that:

First, this amendment does not open up new problems or place us in uncharted and questionable waters. It will be easy to administer and simple for the farmer to understand.

S. 1529, on the other hand, sets up a complicated base program which will require extensive Government involvement with every dairy farmer in the country. The Department of Agriculture is the first to admit they will have difficulty in administering and enforcing the program.

Second, this amendment has a track record. As mentioned previously, four times USDA has reduced the price support and four times supply has fallen in line with demand. I expect the adoption of this amendment will once again accomplish the purpose we all have: To reduce Government surpluses and outlays.

Third, this amendment is equitable. It will allow market forces to work their will by allowing the Government guaranteed price to fall to a level which is in line with market demand.

Fourth, this amendment will rid farmers of the 50-cent assessment which is odious to dairy producers.

Fifth, this amendment will have a positive effect on consumer costs and encourage increased consumption, thus creating opportunities for those who wish to expand or initiate marketing programs.

Sixth, this allows freedom to the individual dairyman to make his/her own business decisions rather than operate under a mandated Government program. It does not require farmers to contribute to a costly program in which only some can participate.

Seventh, the amendment will give the Secretary of Agriculture the flexibility to respond to changing market conditions, such as rising grain and feed prices, falling interest rates, and so forth, and will allow him to adjust the program accordingly so that the program will remain in balance in future years. However, the amendment guarantees that no cuts can be made below $11.60.

Eighth, last but not least, my amendment will preserve a program which has been a success for over 30 years. Not only will it preserve the program, but I believe it will strengthen it by removing the issue once again from Congress and the political pressures often found in this body.

Mr. THURMOND. Mr. President, I rise to support this amendment, which is designed to address the problems that exist in the dairy price support program.

This amendment will direct U.S. dairy producers away from their recent excessive dependence on the Federal Government as a market for their dairy products. It would give the Secretary of Agriculture the ability to reduce the dairy price-support level to not less than $11.60 over the next 15 months. This will permit the Secretary to remove any artificial incentive for dairy farmers to overproduce.

Mr. President, this amendment also completely eliminates the current $1 per hundredweight assessment on commercially marketed milk, whereas the Agriculture Committee bill would retain a 50-cents per hundredweight assessment in order to help pay for a proposed diversion program.

I have strongly opposed the assessment because I feel that it is unjust, ineffective, and unwise. The assessment does not take into account vast differences that exist in various regions of the country within the dairy industry. For example, the milk produced in South Carolina is consumed almost entirely in fluid form, and there are no, I repeat no commodity-credit corporation purchases. Therefore, it is most unfair to ask dairy farmers in my State, who are not under a Federal milk marketing order, to pay for a program in which they do not participate, or to share in the cost of removing milk surpluses which they have not caused.

Moreover, experience to date has demonstrated that continuation of any assessment, even at the reduced level of 50 cents per 100 pounds of milk, is counterproductive in the effort to reduce milk production and the cost of the dairy price support program. Since the assessment was begun earlier this year, many dairy farmers have in fact added more cows to their herds and have increased milk production. They have done this primarily to offset the loss of income due to the assessment, which has the effect of transferring to the Treasury income which would otherwise help pay for dairy production costs. Furthermore, to the extent milk production is increased, Federal outlays to purchase dairy products and support milk prices at the minimum level required under present law are also increased. The net effect, Mr. President, is that the assessment worsens the very problem which we are trying to solve in this legislation.

Mr. President, this amendment also strikes the $10 per 100 pounds—of milk not produced—diversion program under which participating dairy farmers will be paid for cutting back up to 30 percent of their usual milk production. The diversion program, I fear, entails adverse ramifications that many members of this body may have not thoroughly considered. Dairy producers who operate in regions of the coun-

try where milk production is now less than regional consumption will be at a distinct disadvantage to those producers who operate in surplus areas.

On the one hand, processing plants and cooperatives in areas now short of milk, such as the Southeast, are encouraging their farmer producers to send them more milk. On the other hand, the present Government policy and the diversion program proposed in the committee bill are aimed at actively discouraging milk production.

To the extent that dairy farmers in the Southeast and other areas do not meet the regional market demand for milk, that demand will be satisfied by milk shipped in from the surplus-producing States—primarily the Midwest. In other words, the committee bill threatens a massive milk market dislocation and disruption. Moreover, that dislocation may easily turn into a permanent disadvantage for dairy farmers in short supply areas, once they relinquish their markets to those in surplus regions.

In addition, Mr. President, large participation in the diversion program will result in dairy farmers selling considerable numbers of excess cows for slaughter. This sudden surge of culled dairy animals will likely cause depressed market prices for beef cattle, hogs, other livestock, and poultry. Not surprisingly, the National Cattlemen's Association and the National Pork Producers Council oppose the committee bill and support the alternative approach of reducing the milk support price, as proposed in this amendment.

Mr. President, I sincerely believe that this alternative will be more equitable, effective and easier to implement. It will give the Secretary of Agriculture the necessary flexibility to address the problems that exist in the dairy price support program and will reduce the massive Federal outlays presently poured into this program. I strongly support this amendment, and I hope that my colleagues will adopt this language in lieu of the assessment and diversion program recommended by the committee.

● Mr. EVANS. Mr. President, I rise in support of the amendment of Senators MOYNIHAN and HATCH to S. 1529, the Dairy and Tobacco Adjustment Act of 1983. The amendment is a laudable attempt to discourage overproduction of milk caused by artificially high price support levels. The amendment would help encourage consumption of milk products by reducing the price consumers pay for milk products. The amendment would eliminate an inequitable program which requires all dairy farmers to pay an assessment so that the Federal Government can pay some dairy farmers to curtail production.

Mr. President, Federal price supports for dairy products have reached alarming levels. From March 1978 to the beginning of fiscal year 1981, the support price increased 40 percent. Similarly, the cost of price supports has increased dramatically. Expenditures have risen from $250 million in 1979 to more than $2.2 billion in 1982. In fiscal year 1983, the program could cost as much as $2.7 billion.

Artificially high price supports greatly stimulate production but do nothing to stimulate demand for milk products. As a result of this anomaly, the Federal Government has become the owner of 430 million pounds of butter, 758 million pounds of cheese, and 1.2 billion pounds of nonfat dry milk.

Ironically, assessments have encouraged overproduction. Dairy farmers produce more milk to compensate for the lost revenue. By February 1983, milk production was up nearly 2.3 percent from the previous year. During the same period, Federal Government purchases rose nearly 22 percent.

Mr. President, the best way to reduce the quantity of surplus milk products is to encourage consumption. Over the last 30 years, per capita consumption of dairy products has decreased by the equivalent of 170 to 180 pounds or 85 to 90 quarts of milk a year. One way to encourage consumption is to advertise. By guaranteeing a market for all dairy production, however, the Government has reduced the incentive for the industry to go through the expense of promoting their product.

Mr. President, I believe this amendment to S. 1529 would stimulate demand and reduce Federal Government purchases of surplus milk products. A price support reduction which will stimulate demand is preferable to equivalent assessments, which do nothing to lower the consumer's costs. I applaud the wise and courageous attempt of Senators MOYNIHAN and HATCH to solve this difficult and serious problem. I support the Senators from New York and Utah in their effort, and urge my colleagues on both sides of the aisle to do likewise.●

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Now, Mr. President, as I indicated earlier, I propose to make a tabling motion unless some other Senator wishes to speak at this time.

Mr. President, I see no one seeking recognition. I therefore move to table the Moynihan amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MOYNIHAN. Would the majority leader amend that to the Moynihan-Hatch amendment?

Mr. BAKER. I amend my motion in that respect, Mr. President.

Mr. PRESIDING OFFICER. The question is on agreeing to the motion to table. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from New Hampshire (Mr. HUMPHREY), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that, if present and voting, the Senator from New Hampshire (Mr. HUMPHREY), would vote "nay".

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Louisiana (Mr. LONG), are necessarily absent.

On this vote, the Senator from Massachusetts (Mr. KENNEDY) is paired with the Senator from Louisiana (Mr. LONG).

If present and voting, the Senator from Massachusetts would vote "yea" and the Senator from Louisiana would vote "nay".

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 56, nays 37, as follows:

[Rollcall Vote No. 283 Leg.]

YEAS—56

Abdnor	Eagleton	Metzenbaum
Andrews	East	Mitchell
Baker	Exon	Nickles
Bentsen	Ford	Pressler
Bingaman	Goldwater	Proxmire
Boren	Hart	Pryor
Boschwitz	Hecht	Randolph
Bumpers	Heflin	Riegle
Burdick	Heinz	Sarbanes
Byrd	Helms	Sasser
Chiles	Huddleston	Specter
Cochran	Kassebaum	Stafford
Cohen	Kasten	Stennis
Cranston	Laxalt	Stevens
D'Amato	Leahy	Tower
Danforth	Levin	Tsongas
Dixon	Matsunaga	Weicker
Dole	McClure	Zorinsky
Durenberger	Melcher	

NAYS—37

Armstrong	Hatch	Percy
Baucus	Hatfield	Quayle
Biden	Hawkins	Roth
Bradley	Jepsen	Rudman
Chafee	Johnston	Simpson
DeConcini	Lautenberg	Symms
Denton	Lugar	Thurmond
Dodd	Mattingly	Trible
Domenici	Moynihan	Wallop
Evans	Murkowski	Warner
Garn	Nunn	Wilson
Gorton	Packwood	
Grassley	Pell	

NOT VOTING—7

Glenn	Inouye	Mathias
Hollings	Kennedy	
Humphrey	Long	

So the motion to lay on the table the Moynihan-Hatch amendment (No. 2293), as modified, was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I yield to the Senator from New York.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the senior Senator from New Hampshire be added as a cosponsor.

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

Mr. BAKER. Mr. President, let me inquire of the managers and other Members about how much longer it is going to take to finish this bill, how many more amendments there are, and what we can reasonably expert for the remainder of the day on this measure?

I had hoped we would have this bill passed long before now, but it is the intention of the leadership on this side to finish this bill.

I hope Members will offer amedments, if they have them, promptly, and I would even hope they would have no further amendments. But I wonder if the managers can give me an idea as to how much longer they will be?

Mr. HELMS. Mr. President, I had hoped to get a show of hands.

Mr. BAKER. Mr. President, I would not presume to take a tally on the other side but I would on this side. Could I inquire of Members on this side who have amendments? I see five hands, and that is enough. [Laughter.]

Now, Mr. President, let me say—and there is a colloquy on the other side.

Mr. HUDDLESTON. A couple of minor ones.

Mr. BAKER. It looks like we will be another hour or more on this bill, but we do plan to finish, and I would urge Senators to consider that.

It seems very likely we will be in tomorrow. I do not intend to ask the Senate to stay in late tonight. I would urge Senators to consider that we will be in on tomorrow.

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

Mr. BAKER. Yes, I yield.

Mr. HELMS. If our distinguished leader, whom we all love so much, yields, may I ask if we finish this bill will we be in tomorrow?

Mr. BAKER. Mr. President, I am not sure. I would like to dangle that carrot, but I am afraid in all fairness there are other complications also. One of them, I may say to my colleagues, is the unemployment compensation extension. We have not worked that out yet, and I hope someone on the other side of the Capital, in the House of Representatives, will be aware of the fact that we may have to be in tomorrow or even Saturday to deal with that issue.

So far there has not yet been a successful conclusion to the conference. I am advised the House has passed a 30-day extension which has not reached us, but I also understand there are a lot of extraneous things added to it. So if we have that complication it may seriously complicate the business of trying to adjourn.

Let me once again urge Senators to consider that we may be in tomorrow and even on Saturday.

Mr. HELMS. I thank the Senator.

AMENDMENT NO. 2294

(Purpose: To require the Secretary of Agriculture to report to the Congress on the feasibility of imposing a limitation on the total amount of assistance a producer may receive during a year under the dairy price support program)

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. RUDMAN). The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. PRESSLER) proposes an amendment numbered 2294.

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

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

The amendment is as follows:

On page 19, line 14, insert "(1)" after "on".

On page 19, line 18, insert after "productivity" the following: "and (2) the feasibility of imposing a limitation of the total amount of payments and other assistance a producer of milk may receive during a year under section 201(d) of the Agricultural Act of 1949 (7 U.S.C. 1446 (d))".

Mr. PRESSLER. Mr. President, the amendment I am offering to the dairy bill will require a feasibility study on limiting annual dairy price support program benefits available to individual dairy farmers. The purpose of my amendment is to explore directing program benefits to the typical family-size dairy farmer rather than to huge corporate operations.

Section 301 of S. 1529 requires the Department of Agriculture to submit a report on recommendations for changes in the application of the parity formula. My amendment would require that a section on the feasibility of limiting annual program benefits to producers be included in the report.

Under the current program, an operator milking 20 cows is treated the same as a corporate operation milking several thousand cows. In fact, the large operator very likely receives a larger per cow benefit because of various tax benefits available to him and a lower production cost.

Wheat and feed grain farmers are subject to a Federal payment limitation of $50,000 annually. This limitation does not affect the average farmer but does limit benefits for large corporate farmers. We need to explore a similar limitation on benefits to dairy farmers.

We do not want to discourage large dairy farmers from producing, but I do not feel we should feel we should subsidize one producer to milk thousands of cows. If he wants to milk several thousand cows and receive whatever price the market will pay, that is fine. However, the Federal Government should not subsidize producers to the tune of hundreds of thousands of dollars each.

Such a limitation could have numerous benefits:

It would reduce the cost of the program. These large producers, even though they are a small percentage of total dairy farmers, produce a large share of the total milk produced. Limiting benefits per producer would reduce the amount of milk supported by the price support program and also discourage excessive production increases.

It could mean lower consumer milk prices. It large producer production were sold at a lower price it should reduce consumer prices. Lower consumer prices would help to increase consumption and reduce the surplus.

A limitation would direct program benefits to family farms rather than corporate operations. It is important that we maintain the family farm system if our agricultural sector is to continue to feed a large share of the world.

Mr. President, my amendment only requires that the USDA investigate such a limitation and its feasibility. It may prove to be beneficial and it may not, but we should investigate it. I urge my colleagues to join me in support of this amendment.

I might add, Mr. President, most of the dairy farmers in my State milk between 30 and 150 cows and I think that is true in most family farm dairies. But in some States there are herds of 2,000 to 3,000 cows. It has long intrigued me if we could find a way to pay the subsidy only to those with herds of, for example, less than 200 milking cows it would be a very good thing. We have done that with wheat and feedgrains with a $50,000 payment limitation and I think it could be done with dairy.

Some say that it is different because the payment is really paid to the processors and then goes back to the farmers. But there are recordkeeping capabilities already in place without adding any extra cost that could identify that milk and those processors who buy from herds of 200 or less.

So this would be a study to try, to come up with a plan to address this great problem.

Therefore, I ask my colleagues to carefully consider this amendment. If the amendment is not agreed to I will

seek the yeas and nays but I will not do that at this point.

Mr. COCHRAN. Mr. President, let me first of all compliment the Senator from South Dakota. As I understand the amendment, it simply seeks to enlarge the content of a report that has to be made under the bill in any event by the Department of Agriculture, adding a new section to that report dealing with the feasibility of an individual payment limitation. It does not direct the Secretary to make any kind of finding one way or the other, but simply do a study of the feasibility of such a payment limitation. Is that correct?

Mr. PRESSLER. That is true. But I hope the study is so self-evident that the Secretary is compelled to make a recommendation.

Mr. COCHRAN. But the point of the matter is the language of the amendment does not purport to say one way or the other anything about the feasibility. It simply asks a study be done as a part of a report that has to be made anyway on the parity formula by the Secretary.

Mr. PRESSLER. Yes. But it would go a step further and include in that report the feasibility of limiting the payment to smaller sized herds.

Mr. COCHRAN. Mr. President, it does not appear that this is an objectionable amendment. We are prepared to recommend that the amendment be agreed to.

Mr. HUDDLESTON. Mr. President, we have no objection on this side. We are willing to agree to the amendment without a rollcall, if that is satisfactory to the Senator from South Dakota.

Mr. PRESSLER. If we can pass the amendment without a rollcall, that would be fine with me.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from South Dakota (Mr. PRESSLER).

The amendment (No. 2294) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2295

(Purpose: To establish the dairy price support level at $12.10 per hundredweight of milk and to delete the authority of the Secretary of Agriculture to provide for an assessment or a milk diversion program.)

Mrs. HAWKINS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Florida (Mrs. HAWKINS) for herself, Mr. WILSON and Mr. MOYNIHAN, proposes an amendment numbered 2295.

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

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

The amendment is as follows:

On page 2, beginning on line 8, strike out all that follows through line 9 on page 19 and insert in lieu thereof the following new section:

DAIRY PRODUCTION STABILIZATION

SEC. 102. Subsection (d) of section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446 (d)) is amended to read as follows:

"(d) Notwithstanding any other provision of law—

"(1) Effective for the period beginning on November 1, 1983, and ending February 28, 1985, the price of milk shall be supported at not less than $12.10 per hundredweight of milk containing 3.67 per centum milkfat.

"(2) The price of milk shall be supported through the purchase of milk and the products of milk."

On page 38, line 22, insert "and" after the semicolon.

On page 38, beginning on line 23, strike out all that follows through line 2 on page 39.

On page 39, line 3, strike out "(3)" and insert in lieu thereof "(2)".

Mrs. HAWKINS. Mr. President, if you like the idea of pouring billions of dollars into stockpiling dairy products in caves, if you like the idea of paying people not to work, if you like raising food prices by billions of dollars, chiefly on the poor, and if you like the idea of revisiting the dairy problem soon, then you should oppose this bill. If on the other hand, you like the idea of helping to get the Government out of the dairy business, you think it is wrong for anyone to earn up to $1 million or more for not working, and you want to lower food prices for everyone, then you should support my amendment. Under this amendment, the dairy support price is reduced from $13.10 per hundredweight to $12.10 per hundredweight.

In addition, it strikes the 50 cent assessment and the paid diversion parts of the dairy plan now under consideration. This plan substitutes a simple $1 cut in the support price for the committee's complicated creation which looks to me like a two-headed monster. What I offer instead is a market-oriented approach to solving a supply and demand imbalance problem. Since producers are generating far more milk than consumers are demanding, it is obvious that the only sensible answer is to cut the support prices. That way, the surplus will disappear as producers cut back. Those with good memories will recognize the amendment. My amendment is quite similar to the Hayakawa-Hawkins amendment offered 1 year ago today. It lost by one vote, 48 to 49.

Had our amendment become law, we probably would not have to confront the dairy dilemma again today. Unfortunately, that is not the case. One year later the national dairy problem is still very much with us. In 1982, the USDA purchased over 13 billion pounds of dairy products, about 10 percent of all the milk produced in our Nation. In 1983, CCC purchases will exceed those of last year by 10 percent. So, the Government is expected to buy over 14.2 billion pounds of milk before the year is out. It is going to cost the taxpayers almost $3 billion in fiscal year 1983 and fiscal year 1984 to do so if nothing is done. In fiscal year 1979, the program cost $49 million, about 2 percent of today's costs. To place this $3 billion in perspective, consider what $3 billion will buy.

Projected outlays in fiscal year 1984 for MX missiles are lower than projected costs for dairy products this year. The MX will cost $2.5 billion if it is built. The difference is that bulging dairy stocks are already with us. And there is no prospect that we will get anything in return from the Soviet Union or anyone else for that matter for enlarging our dairy stockpile. Consider environmental expenditures—$3 billion is three times as much as the Federal Government will spend next fiscal year for regulatory, research, and enforcement activities at the EPA. You may recall the national debate we held over the proper level for funding for EPA. After agreeing that more was needed, spending for EPA rose to about $1 billion. During other debates, we have also talked about the problem some have facing the choice of heating versus eating. Well, we spend only half as much on low-income energy assistance as we do on the dairy program. And, finally, by rolling back social security cost-of-living adjustments for 6 months, we will save $3 billion in fiscal year 1984.

The problem has gotten worse in spite of congressional efforts to repeal the laws of supply and demand. As part of the 1982 reconciliation act, the 97th Congress enacted a plan to tax dairy farmers up to almost $1 billion a year to recover the part of the costs of operating the dairy program. At the same time, lowering net prices received by producers from $13.10 to $12.10 through this tax was supposed to encourage a drop in production. It was a nice theory.

Although the 97th Congress imposed the tax to raise revenue and to discourage production, the effect of these actions has been nil. This unhappy result is due to the fact that very little of the tax has been collected. And why is this? Dairy farmers across the Nation reacted with outrage at the imposition of the assessment. Almost a dozen lawsuits kept collection of the

tax tied up in the courts. Last year's plan is still not out of the legal woods.

Yet, curiously the Senate is again being asked to play budetary roulette with the courts and the interest groups. We are told that the OPEC for milk plan will cost $2.5 billion over 2 years, and that my amendment cost $3.4 billion. But there is a big difference. There is no question my plan can be immediately implemented and that actual saving will occur. Supporters of the OPEC for milk plan cannot truthfully make the same claim. In addition to the legal controversy already surrounding the dairy tax, court action can be anticipated over the distribution of $1.4 billion in payments to dairy farmers not to produce. This is especially true since 40 percent of all dairy farmers are not expected to get a dime in payments. Also, legal trouble awaits the implementation of the 15 cents per hundredweight fee used to fund a promotion plan without a referrendum first. If this plan is delayed, just like the last one, and the odds on delay are quite high, then my plan will save more in both the short and long run. So much for the savings under this cartel plan.

I want to turn now to the specifics of the OPEC for milk plan to demonstrate why it should be rejected even if you believe the courts and interest groups are going to allow it to go into effect. In place of the failed attempts of the last year, the Senate is now asked to consider a new so-called dairy compromise. We have heard it talked about a lot today. This new compromise relies on the willingness of producers to form a national dairy cartel that will pay them handsomely not to produce. Here is how it works.

Under what should be called the "OPEC for milk" plan farmers establish a "base year" production level. This "base" cannot be bought or sold, only inherited, or received as a gift, or as an interfamily transfer. Farmers then sign a contract with the Government to reduce production up to 30 percent and receive $10 from the Government for every hundredweight they produce below their quota.

Of course, to create the cartel, Congress must guarantee suppliers a financial reward for joining. And boy is the proposed deal a rich one. Since in addition to receiving $10 for not producing, producers will also save between $7 and $11 per hundredweight in foregone feed, energy, and other costs, the incentive not to produce is over $17 per hundredweight. Right now, the artificially high support price provides only a $13.10 incentive to produce. Under the bill, the incentive to produce drops to $11.95 per hundredweight. That is what a producer will receive after his co-op subtracts a 50 cents tax and a 15 cents promotion fee from the new support level of $12.60. Clearly a payment of $10 per hundredweight not-to-produce is more than sufficient to induce participation. Even many of those who favor creation of a cartel admit that $10 is an unnecessarily high payment. When questioned, the administration admitted that $10 was very attractive and agreed that a lower payment would also induce the necessary level of participation to eliminate the surplus. As the evidence makes clear, over a $5 difference exists between the incentive not to produce and the incentive to produce under the committee proposal. A side payment half the size contemplated would likely be attractive enough to induce participation since any one participating would save time as well as money. Generosity is a fine thing. But is not unnecessarily providing producers $750 million overdoing it?

Whatever the level, Congress should realize windfalls will be received by many producers who would be forced to cut back anyway. The size of dairy herds can vary for a variety of natural causes, including accidents and diseases. Others, who were close to retirement and planned to leave the business anyway, will also receive checks from taxpayers. All they have to do is send their cows to market and not buy any more. If they do, Uncle Sam will send them a fat check. I guess timing is everything in business, just like it is in politics. Last year's former dairy producers got nothing for leaving the business. In my judgment, all this makes little sense. We should not pay farmers not to produce when they were not going to do so anyway. In addition, there are a variety of other ways to receive payments from the Treasury without reducing productive capacity. Producers, instead of culling, can feed milk to their livestock, or even dump it on the ground. Others will cut the amount of feed given to their cows to cut output.

Now throwing money at the problem might make sense if it offered a permanent solution. However, the national milk cartel proposal offers only a temporary one. As long as support prices remain high relative to feed costs, producers will have an incentive to market more milk than can be consumed. Once the cartel ends in 1985, the surplus problem will return unless there is another drought and grain prices soar. After the flood of cash from Washington stops, it will have to extend the life of the temporary cartel. Thus, the cartel solution will prove to be an expensive nonsolution.

Imagine the reaction of average working people when they find out that their Government is offering dairy producers the opportunity to reduce their productivity by 30 percent and be paid for it with taxpayer's dollars.

My office received a letter from a constituent in Palatka, Fla., that vividly illustrates what American people think of this approach to agricultural policy. I would like to share it with my colleagues.

The letter follows:

DEAR SENATOR: My friend Boreaux over in Pima County received a $1000 check from the government this year for not raising hogs. So, I am going into the not-raising-hogs business next year. What I want to know is, in your opinion, what is the best kind of hogs not to raise? I would prefer not to raise Razaorbacks, but if there is no other good breed not to raise, I will just as gladly not raise Berkshires or Durocs.

The hardest work in this business is going to be keeping inventory of how many hogs I haven't raised. My friend Boreaux is very joyful about the future of this business. He has been raising hogs for more than 20 years, and the best he ever made was $400, until this year when he got $1000 for not raising hogs. If I can get $1000 for not raising 50 hogs, then I will get $2000 for not raising 100 hogs.

I plan to operate on a small scale at first, holding myself down to about 400 hogs which means I will have $8000. Now another thing. These hogs I will not raise will not eat 100,000 bushels of corn. I understand that you will pay farmers to not raise 100,000 bushels of corn, not to feed the hogs I am not raising. I want to get started as soon as possible, as this seems to be a good time of year for not raising hogs.

P.S.—If you know of any other programs that will pay me not to produce, I sure would appreciate it.

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

Mrs. HAWKINS. No, not at this time.

Mr. President, if this OPEC for milk proposal passes, I will write a letter to my constituent in Palatka about the proposal for not producing milk. I am sure he would respond, in his words "joyfully."

Turning now to the 50-cent tax, I have briefer comments. Suffice it to say that hostility toward the tax is not going to diminish. Projections are that about 40 percent of all producers will not join the cartel. That is because they cannot qualify for membership. Either they started producing this year or recently enlarged their herds and would have to kill too many cows to profitably join up. These producers will cry foul and sue to block the tax. Supporting this program is not going to be the way to win votes from many dairy farmers.

Mr. President, I believe we should junk this proposal to create an OPEC for milk. In addition to being wasteful, it ignores the cause of the problem. The dairy overproduction problem is due solely to an artificially high support price of milk, relative to the cost to produce. To understand the profitability of the dairy business supported under current law at $13.10 per hundredweight, I ask my colleagues to consider the structure of costs for the dairy industry. About half of all costs are feed costs. Labor, depreciation,

culling, co-op expenses and utilities together round out the other half.

This means that the most important determinant of profitability in the dairy industry is the price of feed. The reason being that the costs of labor, depreciation, co-op expenses, culling, and utilities are either comparatively stable or make up a small fraction of the total. Neither is true about feed. However, the cost of feed relative to the supported price of milk has fallen sharply over the last 6 years. Profit margins and output have grown accordingly.

The question is, then, how to reduce a dairy surplus created by artifically high profit opportunities to produce

We have heard a lot of arguments about that today. Senator MOYNIHAN was eloquent about it. Senator HATCH was eloquent about it. Senator LUGAR was eloquent about it.

The simplest and fairest method is to bring support prices back into alinement with feed prices. This has been done before, and each time dairy production has been turned around. In 1955 the support level was reduced by 16 percent and Government purchases of dairy products fell by 64 percent. In 1959, the support level was reduced by 6 percent and Government purchases fell by 49 percent. In 1963, the support price was lowered by 8 percent and purchases fell by 21 percent. So we can see, Mr. President, that a reduction in the support price will lead to reductions in surplus dairy production.

Finally, keeping dairy prices artificially high is unjust. The Department of Labor has calculated that the poorest families in America spend 5 percent of their incomes on dairy produces; the wealthiest families spend 1 percent. That is why I call this approach the low income dairy assistance amendment; the poor will have proportionately, five times greater savings than the rich. And we are talking about billions of dollars in consumer savings according to the Department of Agriculture. If you really care about the conflict facing the poor between heating and eating—and I know you do, Mr. President, because I remember your amendment—you will support this amendment.

To conclude, Mr. President, I urge my colleagues to reject this defective package. It is unlikely to bring us any budgetary relief. It promises to reward people for not working with overly generous cash payments. And it pays others to do what they would do anyway. The cash for making these payments will come from the 40 percent of the farmers that will not benefit from subsidized idleness, from low income consumers and from the taxpayers. And it will not even end the dairy surplus problem which is the very reason the package was created. Why do we not simply reverse last year's narrow vote—it lost by one vote—and enact real reform by dropping support prices by $1?

Mr. President, I ask unanimous consent that Senator JEPSEN be added as a cosponsor to my amendment.

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

Mrs. HAWKINS. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mrs. HAWKINS. I yield to the Senator from California.

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. Mr. President, I rise in support of the amendment offered by the Senator from Florida. As I listened to the distinguished Senator from Florida recite the aspirations of her constituent who very gleefully looks forward to going into the business of not raising hogs, I am reminded of a suggestion offered some years ago in hopes of cutting the cost of State government in California. The suggestion was made that the salary of each State legislator should be raised to $100,000 a year, but they then should be docked $1,000 for each day the legislature was in session. It would remain the same every year.

I would hesitate to prescribe that for this distinguished body, but I do think the Senator's constituent in that letter has pointed out in somewhat facetious fashion what is a very serious problem that the Senator addresses in her amendment.

She is absolutely right. We have reached a critical point in the development of the dairy program. It is history, I think, but well known to the Members of this body; the purpose of the program of price supports has been well known. It was intended to try to arrive at an orderly regulation of the market that would be fair to both producers and consumers. Arguably, that goal was met reasonably well until 1977. The authors of the act in 1949, I think, never envisioned supports would reach the level they have since increases were granted first in 1977, then again in 1979. By 1980, the support level was $13.10 per hundredweight, 16 percent higher than 4 years earlier. Quite clearly, dairy producers were responding to this signal from Congress by increasing production.

Two years later, by 1982, production had soared by 10 percent, forcing the Government to purchase approximately 9 percent of the entire U.S. dairy output. This simple move by Congress of increasing the price support faster than the rise of production costs has brought us to where we are today.

History, as the Senator from Florida so eloquently pointed out, has shown that a cut in the price support results in reduced Government purchases. Let me repeat the figures she recited, because I think they are dramatic evidence of the point she makes. In fiscal years 1955 and 1959, then in 1963, Congress lowered the support levels by, respectively, 16 percent, 6 percent, and 8 percent. The resulting Federal purchases fell respectively By 46 percent, 49 percent, and 21 percent in the same year the cuts were made. There is a direct correlation, it seems, between the level of price supports and the amount of production, and the amount of dairy products which the Government is required to purchase and then to store.

What point have we come to? I think many of us have read the story in the Wall Street Journal of Tuesday, June 14, 1983, by Jeffrey Birnbaum. It is an incredible story, Mr. President. To excerpt from it briefly, it recounts that when the author visited Independence, Mo., he found an 80-acre subterranean warehouse holding a mere 2 percent of the nearly 3 billion pounds of surplus dairy products owned by the Government.

I quote:

> A train filled with the total would stretch from New York City to Toledo, Ohio. Taxpayers bought these commodities over the past few years for about $3 billion, or more than $13,000 for each American dairy farmer.

Mr. President, to put it quite simply, there is a relationship between the support level, the overproduction, and the requirement of the Government to purchase and store these surplus dairy products.

Part of the Senator's amendment relates to the so-called paid diversion program. It is argued by its proponents that this will reduce production, that it will, by an assessment taken from the producers to be paid to those who agree not to produce, significantly alter the overproduction that currently is being encouraged on the other hand by a much-too-high level of price supports.

In the same article by Mr. Birnbaum, number of economists are quoted as pointing out that this will simply not have the desired effects. The payments may cause a brief decline in production but then, as the author points out, when payments cease and production is free, the likelihood is that once again, production will rise.

To quote Mr. Birnbaum:

> Even the National Milk Producers Federation believes that the proposed 15-month payment period is too short to force a permanent decline in the cow population, which at about 10 million is at least one million larger than needed. "Paid diversion" would make dairy farmers even more dependent on the federal dole, critics contend, and place them in a stronger position to demand another bailout, probably by prolonging the payments.

I suspect he is quite right in that statement. What would happen if we prolonged the payment? The cost is about $21 billion for the year or slightly more, 15 months, that is now envisioned as the time in which this paid differential program will occur. It is quite true that when the 15 months has run, just as in any kind of wage or price freeze, when the ceiling is lifted, once again, we shall see people plunging back in if there has not been a significant cut in price supports, because the incentive will remain to overproduce, with the knowledge that you are not really overproducing—perhaps over-producing for the market, but certainly not running the risk of not having what you produce purchased by someone. The someone, of course, is the U.S. taxpayer, at prices we cannot afford.

Another feature of this so-called compromise which Senator HAWKINS seeks to amend has to do with some more wishful thinking. It is the part of the program that is aimed at a national marketing program under which producers would be assessed 15 cents per hundredweight for all milk marketed in order to fund this national milk promotion program. Mr. President, this is the first mandatory program of its kind. The decision whether to contribute to a national program should be made by the affected producers and not by Congress. In my home, State of California, a referendum was held by the producers and, as a result, we do have a State promotion program that they think serves their needs. A mandatory national program would be superfluous, it would be an additional cost to producers.

The only referendum that is provided for in the compromise is not one that is prospective; rather, it is one that would occur a mere 60 days before the scheduled termination of this program, which occurs in July 1985. The program is to expire in September 1985. The referendum would be only on whether it should be continued.

Mr. President, there are certain facts of life which I think finally are unavoidable. The unavoidable fact in terms of our dairy program in the United States is that it has encouraged overproduction to the extent that all the good intentions that have been devised for the use of those surplus foods certainly have been unable to avoid the kind of storage costs that are a national disgrace. The amendment by Senator HAWKINS is supported by the majority of the dairy farmers in my State, who recognize that the economics of the marketplace have been totally distorted by this program.

Good intentions are, indeed, not enough. I urge my colleagues who want a healthy marketplace and a healthy dairy industry to support the Hawkins amendment.

And now, Mr. President, I yield to the Senator from Georgia.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. I think the Senator from Georgia ought to seek the floor in his own right. Senators cannot yield to each other.

The PRESIDING OFFICER. The Senator is correct. Is the Senator from Georgia seeking recognition.

Mr. MATTINGLY addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. MATTINGLY. Mr. President, I rise to support the Hawkins amendment.

I have repeatedly supported efforts in the Senate which would reduce the support price for milk. It is incredible to me that we have tolerated for so long the present support formula which only encourages over production because there is no limit on how much dairy product the U.S. Treasury will buy. Such insanity will cost American taxpayers well in excess of $2½ billion this year alone. Now we are asked to pay dairy farmers not to produce so the Government will not have to buy so much milk. How ridiculous can we be? Perhaps we should pass a law saying that the Treasury will buy all the buggy whips that anyone wants to manufacture in the United States and at a price that guarantees a profit. Then in 2 or 3 years when we have storehouses overflowing with buggy whips we can say "gee * * * we seem to have a surplus of buggy whips so let's pay people not to make any more."

That is just about what we have in the dairy program today, and there are producers who are only in business to sell dairy products to the Government. Even more onerous is the fact that this legislation would help pay some operators not to produce by taxing other dairymen who sell nothing to the Government. Maybe we should tax soft drink manufacturers to help pay dairy farmers not to produce milk since obviously some people out there are drinking cokes instead of milk.

Mr. President, I hope that my colleagues in the Senate will see fit to deal effectively with this vital problem by enacting legislation which truly solves the underlying causes. The committee bill will not result in the kind of permanent resolution to the dairy dilemma. It will only create more problems. Think, for instance, what will happen to beef, pork, and poultry prices if a sudden supply of dairy cattle are placed on the meat markets. Livestock producers are already plagued by large increases in feed prices and soft markets. This bill would drive slaughter prices through the floor. Why create further disaster for these producers by paying dairy farmers to place their herds on the meat market?

I am the last person who wants to see any sector of our agricultural economy suffer unduly. I would favor any approach which would allow a period of time for dairymen to adjust to the realities of supply and demand. But the legislative mechanism must be one which faces those same realities and not just another congressional flight of fantasy. It is time that we determine just how much dairy product the Government needs for our various nutrition and foreign assistance programs and enact a dairy program which buys only that much product. The first step toward such a program must be a reduction in the support price paid by the Treasury for milk. This will begin to curtail surplus production in a more orderly manner. I support efforts such as the amendment offered by Senator HAWKINS which will achieve this result and hope that I will be joined by a majority in trying to solve this problem.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, one of the Senators came over having examined this amendment and compared it with the previous amendment which was defeated, and he said, "I don't know whether to call this the 'mini-Moynihan' or the 'pity-Pat' amendment. It is the same design."

Let me say to Senators again that it is awfully difficult for the Senator from North Carolina on occasion to be chairman of the Senate Agriculture Committee because I am as much a free market Senator as anyone else in the Senate. I think my record demonstrates that. But what we are talking about now is not an either/or situation. I will say very candidly that if an amendment of this nature, whether it be the Moynihan-Hatch, or the amendment now pending authored by a gracious and able lady from Florida (Mrs. HAWKINS), is approved, the whole coalition collapses, and we will have no legislation, which means that we will have the same unacceptable situation prevailing in the dairy program. It has been said over and over again today that the Agriculture Committee labored and labored and maybe we brought forth a mouse.

But in any case, it is a step toward exactly what they so eloquently state they want.

Now, with all the sincerity that I possess, I say to them that regardless of the merits of their amendment and despite the eloquence of their salesmanship in regard to it, if this amend-

ment prevails we may as well forget it, hang it up, and say we are going to continue with the present situation which includes the $1 assessment. Every Senator who voted for the Moynihan amendment just now was in effect voting to continue the $1 assessment.

Now, to be sure, the compromise does reduce that to 50 cents. So we may have an untenable situation in the minds of some Senators, but I feel obliged to state the facts as they are. We either hold onto this fragile coalition and do some good or we say let us chuck it all and do no good. That is the option facing us.

It is with sincere regret that I have to oppose any amendment, but I need to refer again to the CBO's figures and the USDA's figures which are even worse with respect to the savings.

In the current program, of course, there would be no savings. The compromise will save $330 million and the Hawkins amendment would cost $1.930 billion. And I am talking about over a 3-year period.

There are pros and cons, but the bottom line, Mr. President, is that if we want to do some good, we can do it by approving this compromise package which by no means is perfect. I do not advertise it as being perfect. If I could sit down and push a button to write the kind of legislation I wanted, it would be vastly different up and down the line. I said earlier, I say to my friend from Florida, that there are a lot of tobacco growers down in North Carolina who might like to form a lynching party because they would like something better from their standpoint as they see it, but that option is not available. No option is available in terms of legislative success on the dairy program.

So with all due respect—and the lady knows that I do respect her—she is putting this chairman in an untenable position because as much as I agree with her about the free market approach, we are not going to move one inch toward it if we adopt her amendment because the whole fragile compromise will collapse.

Mrs. HAWKINS. May I ask the Senator a question?

Mr. HELMS. I will be delighted to yield for a question.

Mrs. HAWKINS. Is this not just a dairy and tobacco package at this point?

Mr. HELMS. I am sorry.

Mrs. HAWKINS. Is this not just a dairy and tobacco package at this time?

Mr. HELMS. That is correct.

Mrs. HAWKINS. Target pricing is no longer a part of this fragile compromise?

Mr. HELMS. I cannot say that to the Senator because the majority leader yesterday made it clear that right after the disposition of this bill will come target prices. Now, that scheduling is not the prerogative of the Senator from North Carolina. It is the prerogative of the leadership of the Senate.

Mrs. HAWKINS. The Senator correctly enumerated the cost of my amendment as provided by the CBO. On the same piece of paper are consumer savings in 1984, $1.2 billion; in 1985, $2.8 billion.

I think we should think a little about consumers. When the chairman of the Agriculture Committee talks about figures—and I am delighted to serve with him on that committee—what do these figures mean? We have CBO figures, administration figures, Department of Agriculture figures. It is all on paper. It is a paper game.

I recall sitting with the Senator from North Carolina in 1981 when the farm bill was forecast to cost $3 billion, and it actually cost $21 billion. Those figures are not even close to each other. We were supposed to save $6 billion. It is a big program. We were supposed to save $6 billion. I read editorials about it every week. Is it saving $6 billion? Again, it depends on whose figures you use.

With dairy, this year's assessment was supposed to have saved $1 billion. I remember that argument. My amendment lost by 1 vote. It took the Treasury almost a year to collect a single dime. So we do not have anything there. It is all on paper, and I suspect it will be the same with an untried plan telling how much it is going to cost and how much it is going to save.

The Senator from California has repeated the figures and I have, that if you cut support prices, we get less of the product. History repeats that.

Also, having this amendment on this dairy-tobacco bill might make the tobacco more attractive. The dairy part is very unattractive to a lot of Senators. We are ashamed to tell people we are paying farmers not to produce. So we may be able to gain votes for the tobacco part by adopting my amendment. I should like Senators to think about that.

The administration has indicated that it was going to hold its nose and swallow the compromise and see if Congress can work its will. I think we should work our will, to do what is responsible.

I thank the Senator.

Mr. HELMS. I thank the distinguished Senator from Florida.

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

Mr. HELMS. I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, in most respects, a $1 reduction in the milk price support level is simply a smaller version of the proposal for a $1.50 reduction. It does not overcome the weaknesses of that proposal. Further, by slowing down producer response, it will only prolong the problem S. 1529 seeks to address.

If a $1.50 price cut would reduce milk production by only 1.5 billion pounds next year, and 3.3 billion over the next 2 years, a $1 price support cut would certainly produce a lesser reduction.

Also, Government costs would not be as effectively reduced, and Commodity Credit Corporation removals would not drop by as much. Nor would there be as great a reduction in Government inventories as there would be with a $1.50 price support reduction.

It is important to keep in mind that the $1 price-support reduction is less effective than a $1.50 reduction in achieving the needed changes and that, to that extent, it is worse in comparison to the compromise crafted by representatives of the Senate, the House, and the administration.

The $1 support cut was one of the many options considered during the hearings and markup of the dairy legislation. It was put aside because it would not do the job in the time available. The compromise embodied in S. 1529 represents a workable program that will address each of these needs quickly and effectively. It has broad bipartisan support in the Senate and House, as well as the backing of the administration.

As to the prospects of increased consumption through reduced consumer prices, at least one economic analysis casts serious doubts on the proposal that reduced farm prices will be fully reflected in retail prices. It can be shown from a study of historical price movements that reductions in farm prices for milk have normally been accompanied by increases in retail dairy product prices due to increased marketing costs that are automatically reflected in retail prices.

Mr. President, I do not think there is a need to reiterate the arguments that were made just a few moments ago against the amendment offered by Senator MOYNIHAN and Senator HATCH. Nonetheless, more arguments do apply here, even more so, since the pending amendment is not even as effective as the previous amendment in trying to achieve what needs to be done.

Mr. CHAFEE. Mr. President, I strongly support Senator HAWKINS' proposal to regain control of the dairy price support program. This program has gone awry and modifications are desperately needed.

The dairy program is estimated to cost as much as $2.7 billion in 1983 alone. At last count, the Commodity Credit Corporation owned 4.5 billion pounds of butter, cheese, and nonfat dry milk. As Senator HAWKINS has pointed out, this amount is enough to

fill a train stretching from here to New York.

What is the cause of this surplus? Outrageously high support prices are to blame. And now the committee is suggesting that rather than reducing the support price as the best means to control supply, we pay dairy producers $10 per hundredweight not to produce. Do we not have enough problems with this program without adding more? A temporary diversion program has every possibility of becoming a permanent fixture.

To compound this situation, the bill requires that a 50 cents per hundredweight fee be levied on all producers, for the purpose of offsetting part of the cost of the diversion payment.

Mr. President, I wish to touch on a particular point that affects the area of the Nation from which I come. That is the fact that a 50 cents per hundredweight fee is going to be levied on all producers for the purpose of offsetting part of the cost of the diversion payment.

Thus all farmers, including the producer-handlers who derive no benefit from either the price support program or the diversion payment, will be required to underwrite farmers who participate in the diversion program. In my section of the country we have a number of producer-handlers who sell all the milk they produce, do not take advantage of the Government price supports, but will be taxed as if they did.

The committee calls this bill a compromise. Yet farmers across the country are crying out against the 50-cent tax. I think the Senator from Florida has a good idea—the best proposed here today—to drop the price support to $12.10 and let the market reduce supplies. Do not pay farmers to produce in excess, and by all means, do not pay farmers not to produce at all. Senator HAWKINS is on the right track—I hope my colleagues are able to see the wisdom in her proposal and support her efforts to simplify the program, as well as reduce the shameful, costly surpluses now in the Government coffers.

Mr. BOSCHWITZ. Mr. President, in response to my good friend from Rhode Island, I point out that even if the producer-handlers benefit from this dairy program, inasmuch as the milk marketing orders give them an advantage over the Middle West farmers in the price they receive for it, those producer-handlers would indeed have substantial problems.

Mr. HUDDLESTON. Mr. President, I move to table the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Nevada (Mr. LAXALT) and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), the Senator from Colorado (Mr. HART), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from New York (Mr. MOYNIHAN) and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

The PRESIDING OFFICER (Mr. COHEN). Are there any other Senators in the Chamber who have not yet voted who wish to do so?

The result was announced—yeas 47, nays 42, as follows:

[Rollcall Vote No. 284 Leg.]

YEAS—47

Abdnor	Dixon	McClure
Andrews	Dole	Melcher
Baker	Durenberger	Mitchell
Bentsen	Eagleton	Pressler
Bingaman	East	Proxmire
Boren	Exon	Pryor
Boschwitz	Ford	Randolph
Bumpers	Heflin	Riegle
Burdick	Heinz	Sarbanes
Byrd	Helms	Sasser
Chiles	Huddleston	Specter
Cochran	Kasten	Stafford
Cohen	Kennedy	Tower
D'Amato	Leahy	Weicker
Danforth	Levin	Zorinsky
Denton	Matsunaga	

NAYS—42

Armstrong	Hawkins	Pell
Baucus	Hecht	Percy
Biden	Jepsen	Quayle
Bradley	Johnston	Roth
Chafee	Kassebaum	Rudman
DeConcini	Lautenberg	Simpson
Dodd	Long	Stevens
Domenici	Lugar	Symms
Evans	Mattingly	Thurmond
Garn	Metzenbaum	Trible
Gorton	Murkowski	Tsongas
Grassley	Nickles	Wallop
Hatch	Nunn	Warner
Hatfield	Packwood	Wilson

NOT VOTING—11

Cranston	Hollings	Mathias
Glenn	Humphrey	Moynihan
Goldwater	Inouye	Stennis
Hart	Laxalt	

So the motion to lay on the table was agreed to.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

AMENDMENT NO. 2296

(Purpose: To provide for the Secretary, in carrying out the dairy diversion program, to take steps to minimize any adverse effect on beef and pork producers, and for other purposes)

Mr. JEPSEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa (Mr. JEPSEN) for himself and Senators, EAGLETON, ZORINSKY, and TOWER, proposes an amendment numbered 2296.

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

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

The amendment is as follows:

On page 6, line 2, insert immediately after the period the following new sentence "In setting the terms and conditions of such contracts, the Secretary shall take into account any adverse impact of the reductions in milk production on beef and pork producers in the United States and shall take all feasible steps to minimize such impact.".

On page 11, lines 24, and 25, strike out "required by the contract." and insert in lieu thereof "as specified by the Secretary for each quarter in the contract: *Provided*, That the aggregate quantity of such reductions for the entire diversion period must be at least equal to the total reduction required by the contract.".

The PRESIDING OFFICER. The Chair will ask the Senator to withhold for a moment until such time as the Chamber comes to order.

The Senator from Iowa.

Mr. JEPSEN. Mr. President, I have been asked by the floor manager of the bill to withhold my amendment at this time and yield to him. I now do so, with the understanding that after the conclusion of whatever business he has that I will be able to continue with my amendment.

Mr. HELMS. I thank the Senator.

The PRESIDING OFFICER. Is the Senator withdrawing the amendment or asking unanimous consent that it be laid aside?

Mr. JEPSEN. I am asking that it be temporarily laid aside in order that I might yield to the distinguished Senator from North Carolina. After he is finished with whatever he intends to do, I would like to get back on my amendment. That is as simple as I know how to put it.

The PRESIDING OFFICER. With that clarification, without objection, it is so ordered.

AMENDMENT NO. 2297

(Purpose: To repeal provisions of law concerning price support for tobacco, and for other purposes)

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. METZENBAUM), for himself, Mr. GARN, Mr. ROTH, Mr. STAFFORD, Mr. PERCY, Mr. TSONGAS, Mr. PELL, Mr. HEINZ, Mr. PROXMIRE, Mr. HATCH, Mr. DANFORTH, Mr. MITCHELL, Mr. GORTON, and Mr. MOYNIHAN, proposes an amendment numbered 2297.

Mr. FORD. A point of information, Mr. President. Does the Senator from Iowa know how long it might be before we get to his amendment; or does he care?

Mr. JEPSEN. Mr. President, the Senator does not know how long it is going to be. I have not inquired. The Senator might inquire of the person who is offering that amendment.

Mr. FORD. The Senator yielded to the Senator from North Carolina, and I was interested. I thank the Senator.

The PRESIDING OFFICER. Does the Senator from Ohio wish a reading of the amendment?

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

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

The amendment is as follows:

On page 40, beginning with line 19, strike out through the end of the bill and insert the following:

REPEAL OF PROVISIONS OF LAW CONCERNING PRICE SUPPORT FOR TOBACCO

SEC. 201. (a)(1) Section 101(a) of the Agricultural Act of 1949 (7 U.S.C. 1441(a)) is amended by striking out "tobacco (except as otherwise provided herein), corn" and inserting in lieu thereof "corn".

(2) Section 101(c) of such Act (7 U.S.C. 1441(c)) is repealed.

(3) Section 101(d)(3) of such Act (7 U.S.C. 1441(d)(3)) is amended—

(A) by striking out ", except tobacco,", and

(B) by striking out "and no price support shall be made available for any crop of tobacco for which marketing quotas have been disapproved by producers.".

(b) Sections 106, 106A, and 106B of the Agricultural Act of 1949 (7 U.S.C. 1445, 1445-1, 1445-2) are repealed.

(c) Section 408(c) of the Agricultural Act of 1949 (7 U.S.C. 1428(c)) is amended by striking out "tobacco,".

REPEAL OF PROVISIONS OF LAW CONCERNING TOBACCO ACREAGE ALLOTMENTS AND MARKETING QUOTAS

SEC. 202. (a) Section 2 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1282) is amended by striking out "tobacco,".

(b) Section 301(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)) is amended—

(1) in paragraph (3) by striking out subparagraph (C),

(2) in paragraph (6)(A) by striking out "tobacco,",

(3) in paragraph (7) by striking out

"Tobacco (flue-cured), July 1-June 30;

"Tobacco (other than flue-cured), October 1-September 30;",

(4) in paragraph (10) by striking out subparagraph (B),

(5) in paragraph (11)(B) by striking out "and tobacco",

(6) in paragraph (12) by striking out "tobacco,",

(7) in paragraph (14)—

(A) by striking out "(A)", and

(B) by striking out subparagraph (B),

(8) by striking out paragraph (15), and

(9) in paragraph (16) by striking out subparagraph (B).

(c) Section 303 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1303) is amended by striking out "rice, or tobacco," and inserting in lieu thereof "or rice,".

(d) Part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.) is repealed.

(e) Section 361 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1361) is amended by striking out "tobacco,".

(f)(1) Section 371(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371(a)) is amended by striking out "peanuts, or tobacco" and inserting in lieu thereof "or peanuts".

(2) Section 371(b) of such Act (7 U.S.C. 1371(b)) is amended by striking out "peanuts, or tobacco" and inserting in lieu thereof "or peanuts".

(g)(1) Section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended—

(A) in the first sentence—

(i) by striking out "peanuts, or tobacco, and" and inserting in lieu thereof "or peanuts, and",

(ii) by striking out "peanuts, or tobacco from" and inserting in lieu thereof "or peanuts from", and

(iii) by striking out "all persons engaged in the business of redrying, prizing, or stemming tobacco for producers,", and

(B) in the last sentence by striking out "$500;" and all that follows through the end thereof and inserting in lieu thereof "$500.".

(2) Section 373(b) of such Act (7 U.S.C. 1373(b)) is amended by striking out "peanuts, or tobacco" and inserting in lieu thereof "or peanuts".

(h) Section 375(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1375(a)) is amended by striking out "peanuts, or tobacco" and inserting in lieu thereof "or peanuts".

(i) Section 378(f) of the Agricultural Adjustment Act of 1983 (7 U.S.C. 1378(f)) is repealed.

(j) The Act entitled "An Act relating to burley tobacco farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended", approved July 12, 1952 (7 U.S.C. 1315), is repealed.

(k) Section 4 of the Act entitled "An Act to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes", approved April 16, 1965 (7 U.S.C. 1314c note), is repealed.

(l) Section 703 of the Food and Agriculture Act of 1965 (7 U.S.C. 1316) is repealed.

EXCLUSION OF TOBACCO FROM CONCESSIONAL EXPORT SALES PROVISIONS OF PUBLIC LAW 480

SEC. 203. The proviso to the first sentence of section 402, of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732), is amended by striking out ", and for the purposes of title II of this Act," and inserting in lieu thereof "or".

PROHIBITION AGAINST COMMODITY CREDIT CORPORATION USING POWERS WITH RESPECT TO TOBACCO

SEC. 204. Section 5 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c) is amended by adding at the end the following new undesignated paragraph:

"Notwithstanding any other provision of law, the Corporation may not exercise any of the powers specified in this section or in any other provisioin of this Act with respect to tobacco.".

PROHIBITION AGAINST TOBACCO MARKETING ORDERS

SEC. 205. Section 8c(2) of the Agricultural Adjustment Act (7 U.S.C. 608c(2)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) by striking out "tobacco,",

(2) by inserting "tobacco," after "(B) any agricultural commodity (except honey,", and

(3) by adding at the end the following new sentence: "Notwithstanding any other provision of law, no order concerning tobacco may be issued or enforced under this Act.".

WITHDRAWAL OF CONSENT RELATING TO COMPACTS AMONG STATES FOR REGULATING TOBACCO PRODUCTION AND COMMERCE

SEC. 206 (a) The Act entitled "An Act relating to compacts and agreements among States in which tobacco is produced providing for the control of production of, or commerce in, tobacco in such States, and for other purposes", approved April 25, 1936 (7 U.S.C. 515 et seq.), commonly known as the Tobacco Control Act, is repealed.

(b) The Congress hereby withdraws its consent to any compact or agreement entered into under the Act referred to in subsection (a).

PAYMENTS TO CERTAIN LOW INCOME OWNERS OF FARMS WITH TERMINATED TOBACCO ALLOTMENTS AND QUOTAS

SEC. 207. (a)(1) Each individual who—

(A) throughout the period beginning on March 8, 1983, and ending on the effective date of this section, owned all or part of a farm with respect to which a tobacco acreage allotment or marketing quota was established or assigned under part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.),

(B) had a modified adjusted gross income of not over $24,000 for the taxable year ending in 1982,

(C) not later than December 31, 1984, files an application in such manner and in such form as the Secretary may require by rule, shall be entitled to receive payments from the Secretary in accordance with this subsection.

(2)(A) Subject to paragraph (7), the aggregate amount of payments which such individual shall be entitled to receive under paragraph (1) shall be equal to the product of—

(i) the percentage of the proceeds of sale such individual would have been entitled to receive if such allotment or quota had been sold on March 8, 1983, and

(ii) the product of the fair market value of such allotment or quota and the modified adjusted gross income percentage as determined under subparagraph (B).

(B) The modified adjusted gross income percentage referred to in subparagraph (A)(ii) with respect to any individual entitled to any payment under paragraph (1) is the percentage which corresponds to the modified adjusted gross income of such individual in the following table:

If the amount of such modified adjusted gross income is:	The modified adjusted gross income percentage is:
Not over $15,000	100 percent
Over $15,000 but not over $16,000	90 percent
Over $16,000 but not over $17,000	80 percent
Over $17,000 but not over $18,000	70 percent
Over $18,000 but not over $19,000	60 percent
Over $19,000 but not over $20,000	50 percent
Over $20,000 but not over $21,000	40 percent
Over $21,000 but not over $22,000	30 percent
Over $22,000 but not over $23,000	20 percent
Over $23,000 but not over $24,000	10 percent
Over $24,000	0 percent

(3) For purposes of paragraph (2), the fair market value of such allotment or quota shall be the fair market value of such allotment or quota on March 8, 1983, as determined by the Secretary. In making such determination, the Secretary shall consider studies relating to the value of tobacco acreage allotments and marketing quotas established under part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 which have been conducted by universities, colleges, and other persons.

(4)(A) For purposes of paragraph (1)(B) and paragraph (2), the modified adjusted gross income of any individual entitled to payment under paragraph (1) for the taxable year ending in 1982 shall be the adjusted gross income of such individual for such taxable year—

(i) determined under section 62 of the Internal Revenue Code of 1954 without regard to the deductions from gross income otherwise allowable under such Code for such taxable year pursuant to—

(I) paragraph (7) of such section (relating to profit-sharing, annuities, and bond purchase plans of self-employed individuals),

(II) paragraph (10) of such section (relating to retirement savings), and

(III) paragraph (14) of such section (relating to reforestation expenses),

(ii) increased by—

(I) the amount of any interest and dividends not included in gross income for purposes of the tax imposed by chapter 1 of such Code for such taxable year.

(II) an amount equal to the sum of any items of tax preference described in section 57 of such Code (other than paragraph (9) thereof) applicable to such individual for such taxable year, and

(iii) decreased by fifty percent of any amount of rent received in such taxable year in connection with the lease of any such allotment or quota.

(B) In the case of an individual who filed a joint return (within the meaning of section 6013 of the Internal Revenue Code of 1954) for such taxable year, adjusted gross income under subparagraph (A) shall be the adjusted gross income of such individual and such individual's spouse for such taxable year.

(C) In the case of an individual who has not attained age 18 (or, in the case of a student, has not attained age 22), adjusted gross income for purposes of determining modified adjusted gross income under subparagraph (A) shall be the adjusted gross income of such individual and any other person who was allowed a deduction with respect to such individual for such taxable year under section 151 of the Internal Revenue Code of 1954 (relating to deductions for personal exemptions).

(5) For purposes of paragraph (1)(A), an acreage allotment or marketing quota which is—

(A) established or assigned to a farm under such part and,

(B) Transferred to another farm (other than after a sale of such allotment or quota), shall not be considered established or assigned with respect to the farm to which such allotment or quota was so transferred.

(6) The Secretary shall make payments to which individuals are entitled under this subsection from the revolving fund established under subsection (b)—

(A) as soon as amounts are received in such fund, and

(B) in as equitable, efficient, and expeditious a manner as is practicable, except that no individual shall be entitled to a payment under this subsection prior to October 1, 1984.

(7) Notwithstanding any other provision of this subsection, no payment under this subsection to any individual shall exceed an amount which is equal to the product of—

(A) 5, and

(B) $24,000 minus so much of the modified adjusted gross income of such individual as does not exceed $24,000.

(b)(1)(A) All payments made under subsection (a) shall be made from amounts received by the Secretary as assessments under this subsection and deposited in the revolving fund established pursuant to subsection (b).

(B) There is established a revolving fund for tobacco assessments. There shall be credited to the fund all amounts received by the Secretary pursuant to this subsection. Amounts deposited in the fund are appropriated to the Secretary for fiscal year 1984 and the succeeding fiscal years for the purpose of making payments under subsection (a). Such amounts shall be available without fiscal year limitation.

(2) For purposes of carrying out paragraph (1), the Secretary shall establish and impose assessments applicable to the marketing of all tobacco produced in the United States. Such assessments shall not apply with respect to tobacco of crops before the 1984 crop of tobacco. The rates of such assessments—

(A) shall generate, as soon as practicable, amounts sufficient to make such payments,

(B) shall not exceed 20 cents per pound,

(C) shall be uniform for all kinds of tobacco,

(D) shall be uniform for a particular crop of tobacco, and

(E) shall be as uniform as practicable for all crops of tobacco with respect to which such assessments are imposed.

(3) Any person who produces tobacco with respect to which such assessments are imposed shall be liable for such assessments.

(4)(A) Except as provided in subparagraph (B), assessments imposed with respect to tobacco and owed under paragraph (3) by the producer of such tobacco shall be collected from any person to whom such producer markets such tobacco.

(B)(i) If tobacco with respect to which assessments are owed under paragraph (3) is marketed through a warehouseman or other agent, then such assessments shall be collected from such warehouseman or agent.

(ii) If tobacco with respect to which assessments are owed under paragraph (3) is marketed directly by the producer of such tobacco to any person outside the United States, then such assessments shall be collected from such producer.

(5) Persons required to collect assessments under paragraph (4) shall—

(A) remit such assessments to the Secretary at such time and in such manner as the Secretary may require by rule, and

(B) maintain, and make available for inspection by the Secretary, such records as the Secretary may require, by rule, in order to ensure an accurate accounting of the collection and remittance of such assessments.

(6)(A) Any person who fails to pay, collect, or remit any assessment owed under paragraph (3) or payable under paragraph (4) and paragraph (5) may be assessed a civil penalty by the Secretary equal to the product of three and the amount of such assessment. No civil penalty may be so assessed unless such person is given notice of, and opportunity for an agency hearing on the record with respect to, such violation.

(B) Any person against whom a civil penalty is assessed under subparagraph (A) may obtain review of such penalty in an appropriate district court of the United States by filing a civil action in such court not later than 30 days after such penalty is imposed. The findings of the Secretary shall be set aside only if found to be unsupported by substantial evidence.

(C) The district courts of the United States shall have jurisdiction to review and enforce any civil penalty imposed under subparagraph (A).

(c) For purposes of this section—

(1) the term "Secretary" means the Secretary of Agriculture,

(2) the term "person" shall have the meaning given to such term by section 1 of title 1, United States Code,

(3) the term "tobacco" means all the kinds of tobacco listed in section 301(b)(15) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)(15)),

(4) the term "to market" means to sell or exchange in a commercial market,

(5) the term "United States", when used in a geographical sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the territories and possessions of the United States, and

(6) the term "student" means any individual who during each of 5 months of calendar year 1983—

(A) was a full-time student at an educational organization described in section 170(b)(1)(A)(ii) of the Internal Revenue Code of 1954, or

(B) was pursuing a full-time course of institutional on-farm training under the supervision of an accredited agent of an educational organization described in such section 170(b)(1)(A)(ii) of such Code or of a State or political subdivision of a State.

EFFECTIVE DATES; SCOPE OF APPLICATION

SEC. 208. (a)(1) Except as provided in paragraphs (2) and (3) this title shall take effect on the date of the enactment of this Act.

(2) Section 206 and the amendment made by section 206 shall take effect January 1, 1984.

(3) Section 207 shall take effect October 1, 1983.

(b) The amendments made by sections 201 through 205 of this Act to any other provision of law shall not apply with respect to crops of tobacco before the 1984 crop of tobacco and shall not affect the authority of the Secretary of Agriculture under any such provision, or the force and effect of any requirement of, or any regulation or agreement under or pursuant to, any such provision, on and after the date of the enactment of this Act to the extent such provision applies to crops of tobacco before the 1984 crop year.

(C) The Agriculture Department shall provide all necessary technical assistance to tobacco farmers through fiscal year 1986 to provide, to the extent possible, a transition period for said farmers following the termination of the tobacco support program.

IMPORTED TOBACCO

SEC. 209. (a)(1) Notwithstanding any other provision of law, all tobacco offered for importation into the United States shall be—

(A) inspected for grade and quality as tobacco marketed through a warehouse in the United States is inspected for grade and quality; and

(B) accompanied by a written certification by the importer, in such form as the Secretary of Agriculture may prescribe, that none of the pesticides the registration of which has been cancelled or suspended for use on tobacco in the United States under the Federal Insecticide, Fungicide, and Rodenticide Act, has been used in the production of the tobacco offered for importation into the United States.

(2) The Secretary of Agriculture shall establish grade and quality standards for the purposes of paragraph (1)(A) that are, insofar as practicable, the same as those applicable to tobacco marketed through a warehouse in the United States.

(3) Any tobacco that is not accompanied by the certification required by paragraph (1)(B) shall not be permitted entry into the United States. The provisions of section 1001 of title 18, United States Code, shall be applicable with respect to any such certification made by an importer under such paragraph.

(b) The Secretary shall enforce the provisions of subsection (a) at the point of entry of tobacco offered for importation into the United States. The Secretary shall by regulation fix and collect from the importer fees and charges for inspection under subsection (a)(1) which shall, as nearly as practicable, cover the costs of such services, including the administrative and supervisory costs customarily included by the Secretary in user fee calculations. The fees and charges, when collected, shall be credited to the current appropriation account that incurs the cost and shall be available without fiscal year limitation to pay the expenses of the Secretary incident to providing services under subsection (a)(1).".

Amend the title so as to read: "A bill to stabilize a temporary imbalance in the supply and demand for dairy products, to enable milk producers to establish, finance, and carry out a coordinated program of dairy product promotion, to repeal provisions of law concerning price support for tobacco, and for other purposes.".

Mr. METZENBAUM. Mr. President, Senator GARN and 12 additional cosponsors—Senators ROTH, STAFFORD, PERCY, TSONGAS, PELL, HEINZ, PROXMIRE, HATCH, DANFORTH, MITCHELL, GORTON, and MOYNIHAN—join me today in offering this amendment to bring an end to the anachronistic, anticompetitive, and unworkable Federal tobacco program.

Congressman THOMAS PETRI of Wisconsin, along with 53 cosponsors, has introduced similar legislation in the House.

In addition to attracting broad bipartisan support in the Senate and the House—Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senator will suspend.

Mr. HUDDLESTON. Mr. President, will the Senator from Ohio yield?

Mr. METZENBAUM. Without losing my right to the floor, I ask unanimous consent that I may yield for not more than 1 minute.

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

Mr. HUDDLESTON. Will the Senator from Ohio entertain the suggestion of a time agreement on this amendment of perhaps 30 minutes, equally divided?

Mr. METZENBAUM. At this point, I cannot.

Mr. HUDDLESTON. I thank the Senator.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. In addition to attracting broad, bipartisian support in the Senate and the House, our amendment has been endorsed by an unusually wide range of organizations. These include the American Lung Association, the American Public Health Association, Action on Smoking or Health, Public Citizen, Congress Watch, the National Taxpayers' Union, the Council for a Competitive Economy, and the United Tobacco Growers of North Carolina.

There are good reasons why this legislation has attracted so much interest.

On one level, Mr. President, our bill is intended to eliminate what Senator JAKE GARN has described as "an offensive paradox." That paradox is our Government's wildly inconsistent policy of actively discouraging smoking while at the very same time promoting the production of tobacco.

There can be no doubt that smoking is one of this Nation's leading public health problems.

The American Public Health Association has described smoking as our most widespread drug addiction—and as the single most preventable cause of illness and death in the United States.

As a group, smokers have a 70-percent increased risk of death over nonsmokers of the same age. Heavy smokers, run a 100-percent higher risk of early death.

Smokers are more frequently afflicted than nonsmokers with chronic conditions—bronchitis, emphysema, sinusitis, peptic ulcer disease.

Male smokers lose 33 percent more workdays than nonsmokers; for women, that figure is 45 percent.

Smoking clearly and unequivocally causes cancer of the lung, larynx, mouth, and esophagus.

Smoking is linked with heart disease.

Smoking by pregnant women increases the incidence of fetal death and lowers birth weights.

Smoking is one of this Nation's two or three leading public health problems.

The opponents of our amendment maintain that its enactment will not discourage smoking.

We do not claim that it will. But we do say that enactment of the Tobacco, Deregulation Act will make our national policy consistent.

And we also say that as a matter of principle, the Federal Government should not be in the tobacco business.

But consistency aside, this legislation is needed in order to terminate a costly, cumbersome, and anticompetitive Federal program that has by any standard outlived its usefulness.

The USDA's tobacco program began in the 1930's, when tobacco farmers were getting as little as 6 cents a pound for their product. Supply controls were useful at that time, but as J. A. Seagraves of North Carolina State University concluded in a recent paper entitled "The Life Cycle of the Flue-Cured Tobacco Program," the program no longer serves the interests of Tobacco growers.

Mr. Seagraves wrote:

> Supply controls can have large benefits to producers at first, and then "burn themselves out" as they create incentives for other countries to expand production and for manufacturers to introduce substitutes. This happened in the case of the Flue-cured tobacco program. The U.S. share of the world's Flue-cured tobacco production has fallen from 64 percent in the late 1930's to about 18 percent today—

I want to emphasize that, that our Nation's share of the world's Flue-cured tobacco production has fallen from 64 percent in the late 1930's to about 18 percent today. Imports of Flue-cured tobacco, which were insignificant before 1967, now represent about one-fourth of domestic consumption.

Mr. Seagraves further calculates that between 1948 and 1955 the program produced a net benefit to the United States of up to $166 million per year. In the early 1980's, however, the program is responsible for a net loss to our economy of $52 million a year.

The tobacco market itself proves beyond a doubt that the system is not working.

On July 10, for example, the board of directors of the Flue-cured Tobacco Cooperative Stabilization Corp., announced a rebate program for the tobacco companies. Can you imagine that, Mr. President? A rebate of 30 cents a pound for each and every pound of tobacco purchased over the levels purchased in 1982.

How much tobacco is eligible for rebate? One hundred and sixty-two million pounds, or nearly 18 percent of the 1983 marketing quota of eight hundred and ninety-two million pounds.

I do not intend to argue here today about merits of this rebate program, which could provide to the tobacco companies a subsidy of up to $48 million.

What I wish to point out is the obvious—that the tobacco program has created a monster—an industry that operates without any reference whatever to the laws of supply and demand.

But, Mr. President, the problem goes beyond the fact that the system is not working. The real problem is the nature of that system.

Just because a farmer wants to produce tobacco in this country does not mean that he can do so. Tobacco may be produced without penalty only by those who hold an acreage allotment assigned more than 30 years ago. The penalty for growing tobacco over the allotment or without the allotment is a stiff one. It is paid to the Government and equals 75 percent of the previous year's average sale price of tobacco, or it becomes a credit against next year's allotment.

Those allotments are as hereditary as any feudal domain in medieval Europe.

But ours is supposed to be the greatest free market economy in the world.

We say that we believe in free enterprise, competition, the discipline of the marketplace.

But not, it seems, where tobacco is concerned.

We control crop volume.

We penalize backyard growing of tobacco without a license.

We keep mom and pop out of the marketplace unless he or she has an allotment.

In a letter to the editor published in the June 1983, issue of the Flue-cured Tobacco Farmer, a farmer from Zebulon, N.C., summed up the absurdity of the current system.

Edwin Atkinson wrote:

> How is it constitutional to sell a farm's tobacco allotment and not be able to sell its corn base? A farmer cannot sell or lease or transfer his corn base for cash rent and never see the land it is planted on. Why tobacco?

Mr. Atkinson wrote further that:

> Tobacco is the only agricultural commodity that carries this exclusive privilege. Is it any wonder that the present tobacco program is in trouble in Congress today?

The program is in trouble. And it deserves to be.

The allotment system, which was designed originally to help farmers, is today a major source of income for nonfarmer holders of tobacco allotments. There are 95,000 commercial tobacco farmers—and 500,000 holders of tobacco allotments.

About 84 percent of all family tobacco farmers must rent allotments in order to grow their crops. Rent can run over $1,000 per acre and increases the cost of production for growers by 30 to 60 percent. No wonder that last year, we imported $503 million worth of tobacco, mainly of the type grown in the United States. And no wonder the growers are offering rebates to buyers of tobacco.

Last year we enacted legislation entitled the "No Net Cost Tobacco Act." As many of us suspected at the time, the bill has only made cosmetic changes in the program, without addressing the real problems.

The program has resulted in massive tobacco surpluses—over 25 percent of last year's crop was bought as surplus at a cost approaching $1 billion.

The figure this year looks at this time to be about 15 percent, which is the result of this year's devastating drought.

The tobacco program is not working.

The Federal allotment system, whose benefits go disproportionately to nonfarmers, has outlived whatever usefulness it once may have had.

And I believe that it is high time to bring to tobacco production the benefits of free enterprise.

Our amendment will give the free market a chance to work.

It will give our farmers a fighting chance to recover their share of the domestic and world tobacco markets.

It will protect low-income allotment holders by buying out their allotments in accordance with a formula based on income. The buy out will be funded at no cost to the Government by an assessment not to exceed 20 cents a pound on tobacco growers. In addition the amendment authorizes continuation of existing assessments for the purpose of eliminating surpluses built up under the current program. These assessments will be more than offset by the fact that growers will no longer be required to pay exorbitant allotment rents.

Under this program, Mr. President, an allotment owner with a 1982 modified adjusted gross income of $15,000 or less would be eligible for a 100-percent buy out. Percentages would decline with higher income, phasing out altogether at $24,000.

The intent of this provision is not to recognize the legitimacy of the allotment system, rather, our intent is to provide a phaseout for those who now depend on allotment income.

In calculating incomes, our amendment does not include social security, unemployment compensation, or food stamp benefits. It does, however include tax-deferred pension contributions and proceeds from tax shelter investments, municipal bonds, and the like.

Finally, Mr. President, the amendment includes a provision to protect the public from imported tobacco containing residues of chemicals the use of which is not permitted in the United States.

How much imported tobacco would that affect?

The shocking answer is that nobody knows how much of the 452 million pounds of tobacco we imported last year is, in fact, tainted with chemicals the use of which is banned in this country. Nobody knows because nobody checks.

Smoking is dangerous in and of itself. There is no reason to multiply the danger by exposing smokers to potentially carcinogenic chemical substances.

Mr. President, I believe that this amendment is fair to all concerned.

It helps the tobacco growers by ending a cumbersome program that has cost them their markets.

It gives a cushion to needy people who might be hurt by the end of the program.

It protects the public from dangerous chemicals.

And, Mr. President, this amendment takes the Federal Government once and for all out of the tobacco business. For that reason alone, it deserves passage by the Senate.

Mr. President, I ask unanimous consent that I be permitted to yield the floor to the Senator from Utah.

Mr. HELMS. Mr. President, I object. I think the Senator from Utah ought to seek the floor in his own right.

The PRESIDING OFFICER. The objection is heard.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator is recognized.

Mrs. GARN. I thank the distinguished Senator and the chairman of the committee.

Mr. President, one of our colleagues in the other body was quoted recently as saying that supporters of tobacco deregulation "are going around telling people, 'Help us stamp out the little tobacco farmers in North Carolina.' I have about had it." That was the Congressional Quarterly of June 11, 1983, quoting Representative CHARLIE ROSE a Democrat from North Carolina.

Mr. President, I have about had it myself, and so, I am sure, have the "little tobacco farmers." Let us just

see how much the current program is helping them:

The tobacco growers' newspaper, The Flue-Cured Tobacco Farmer:

The benefits of the support program appear to be migrating largely into the bank accounts of the non-producing quota owners, with you, the actual producers, profiting at approximately the same level you could be expected to without any program at all.

Congressional Quarterly, June 11, 1983:

Without legislation, certain malfunctions in the government program, combined with a record surplus, will devastate tobacco farmers economically, according to their spokesmen. . . .

There are several program-related factors driving up the cost of growing tobacco. One is that the assessments will jump for the 1983 crop to 7¢ per lb for flue-cured and to as much as 5¢ or 7¢ per lb. for burley.

The increases are worrisome because they will cut further into farmers' profit margins.

Many producers who rent their allotments and quotas are forced to pay the assessment twice: The law requires payments from both farmers and non-growing quota-owners, who often simply increase the rental rate of their quotas by the assessment.

Because the allotments and quotas are being reduced administratively by the government in an effort to cut the surplus, fierce competition for renting them has driven up their costs.

The article also pointed out that the cash and noncash costs of production for burley tobacco were 8 cents per pound greater than the average price for which it was sold last year.

Hugh C. Kiger, executive vice president, Leaf Tobacco Exporters Association, Inc., in testimony before Senate Agricultural Committee on June 14, 1983:

. . . the tobacco program is . . . in trouble economically because we can no longer assure our foreign and domestic customers an adequate supply of high-quality U.S. leaf at competitive prices.

It is in trouble politically . . . due to the fact that the "No Net Cost" program is not working.

U.S. prices have been forced up by the price support formula to a point where our tobacco is no longer competitive in the world market. And the end is not in sight. . . .

This is noted in statement after statement from USDA's Agricultural Attaches, who report that the relatively high U.S. tobacco prices are encouraging foreign buyers to seek alternative supplies. . . .

The quality of U.S. leaf has also declined noticeably in recent years due in part to the way price supports are operated. . . . the grower has no incentive to produce high-quality leaf when he can sell to the pool at a support price which gives him a handsome profit on the deal.

One thing is unmistakeably clear relative to the current high price support level. A grower cannot cover his costs of production, pay a high lease rate to allotment holders, make a profit, and compete in world markets. Therefore, we can expect (1) inability to compete in world markets; (2) further losses in export business; (3) further increases in U.S. imports of cigarette leaf; and (4) further reductions in quotas.

C. Hoke Leggett, Association Administrator, Agricultural Stabilization and Conservation Service, in testimony on June 14, 1983, before the Senate Committee on Agriculture:

Ten years ago nearly four-tenths of the world's flue-cured crop was grown in the U.S. . . . Last year we produced less than one-fourth of the world's flue-cured tobacco, and our exports were only one-fourth of the total.

During the same period, imports into the U.S. have grown. In 1973, less than one-fifth of the tobacco used in our cigarettes was imported. Today, nearly one-third of the tobacco consumed in . . . the United States is imported.

In short, during the past 10 years foreign-grown tobacco has taken practically all of the growth in consumption outside the U.S. and a significant portion of consumption in this country.

The erosion in demand for U.S. tobacco in the export and domestic markets is largely due to the continuing disparity between its cost and that of tobaccos produced in developing countries. Current and prospective supply and demand factors point toward acceleration in the loss of market share for U.S. tobacco, at least in the near term.

U.S. flue-cured prices for the 1981 tobacco buying season averaged 87% more than grower prices in the major tobacco-competing countries. . . . By contrast the U.S. prices in 1982 were 62% more than the grower prices in foreign countries.

Excluding land and quota charges, production costs, except for 1979, average well below the levels of price support. The levels of price support for the 1981 and 1982 crops of tobacco were substantially greater than the cost of production.

So, Mr. President, it seems that the way this program has helped the little tobacco farmers is by increasing their costs, pricing them out of both the foreign and, increasingly, the domestic tobacco markets, and by putting most of their profits into the hands of the nonfarmer allotment holders. If this kind of help does not stamp out the little tobacco farmers, I do not know what will. I am sure they are smart enough to recognize when they are being hurt. However, most of them are afraid to say so, according to the United Tobacco Farmers, for fear the allotment owners will not rent to them any more.

Much has been made of the fact that these allotment holders are people who have worked hard to pay for their allotments and are now enjoying the return on the investment. Nevertheless, the fact remains that a program ostensibly geared to help the tobacco farmer ought to be doing just that, not sustaining absentee landlords who neither farm nor share in the risk of farming.

With these facts well in mind, let us examine the effects of the proposed solution to these problems of the little tobacco farmers. I think it will become obvious that in several ways, the reforms actually benefit the absentee allotment holders, and hurt the family tobacco farmer, more than the current program does.

First, this bill calls for deleting the double assessment the family tobacco farmer pays into the No Net Cost fund. Last year, legislation was enacted which required tobacco farmers to pay an assessment to the tobacco fund when the tobacco was sold. Allotment holders also have to pay an assessment when they rent their allotments to farmers. Mostly, the allotment holders have simply passed their share of the assessment on to the tobacco farmer, who thus ends up paying twice. This bill would eliminate the assessment charge when the allotment is rented, leaving only the tobacco farmer to pay, while the nonfarming absentee landlord gets off scot-free. As a result, less revenue will go into the No Net Cost fund; this loss of revenue will result in the assessments having to be increased, and the tobacco farmers will have to pay still more. This provision is hardly a benefit to tobacco farmers, but obviously is greatly to the advantage of the allotment owner.

Second, this bill would give the tobacco cooperatives greater flexibility in the use of no-net-cost funds. Currently, the law requires tobacco co-ops to hold all assessment revenues until a particular crop is completely sold from surplus. Then the funds are used to cover any losses that may have occurred. This proposal would allow the co-ops to also use this money for their current expenses. It is a measure that is potentially disastrous in the long term, especially for the little tobacco farmer. The revenues generated by assessments are not enough even now to pay for the anticipated losses of a particular crop year. If they are also used to pay current expenses or to retire past co-op debt unrelated to the costs of 1982 and later crop surpluses, the revenues needed to cover the eventual crop loss will fall even shorter, creating yet larger losses, which will have to be covered either by the taxpayers or by the farmers—not the allotment owners, under this bill—and cutting still more deeply into farmer profits. Several years of this could have the effect of limiting current program losses at the price of creating huge future deficits.

Third, the bill would set aside up to 3 percent of all acreage that can be planted in tobacco for use by new farmers who want to begin farming. Though the intent sounds laudable, this provision also has flaws. It lets new farmers enter a feudalistic system in which they pay monopoly rents and suffer from quota reductions like the rest of the current tobacco farmers. It also means fewer allotments for current farmers, creating more demand for the remaining allotments, driving the rental prices still higher, thus

making it even more difficult for the family farmer to make a living growing tobacco.

Fourth, the bill would place several restrictions on the lease of acreage allotments. It would require allotments to be forfeited if they are not used in 2 out of 3 years. The proposal is insignificant, since allotments are valuable, and almost all of them are used every year to grow tobacco. Another provision would prohibit cash leasing with payments in advance, by prohibiting any lease payment until the crop is sold. This is supposed to make the allotment owners share the costs and risks of production, but the proposal does not accomplish this. It would still allow a fixed cash lease payment, with the allotment owner's only risk being that the farmer will fail to pay. To insure that the allotment holder share the risk, we would have to require at least that the lease payment be simply a percentage of the profits, and perhaps also that the lessor contribute an equal percentage of the costs of production.

The last allotment proposal would prohibit lease and transfer of allotments. This is an arrangement where a farmer leases an allotment from an owner or owners and then transfers it to his own farm. As written, the provision leaves open several potential loopholes. For example, it seems that you could create a limited partnership including all the farms having allotments which a single farmer was going to rent, and then the farm would be nothing but a large legal entity and no allotments would be leased and transferred off the farm. Even if lease and transfer is effectively ended, though, the provision hurts the family farmer. In that case, either farmers will have to travel to the various farms having allotments and farm widely separated plots, or allotments will have to be sold and accumulated in economic blocks of 20 or 30 acres or more. Since most family farmers will not have the capital to purchase allotments, which cannot be used as collateral, only wealthy farmers and investors will be able to accumulate allotments. The family farmer will either be squeezed out of business or converted into a tenant farmer under a single landlord or partnership, a condition even worse than that under which he suffers at present, where at least he has the economic flexibility of bargaining with numerous allotment holders. The absentee landlord problem could be even more severe, since the allotments and accompanying power might be concentrated in fewer hands.

Finally, the bill extends from December 1, 1983, to December 1, 1984, the date by which nonfarming entities are required to sell their allotments under the No Net Cost bill. In other words, the absentee landlords would be able to hold on to their allotments without either farming or sharing the risks of farming for a little while longer.

Mr. President, I think by now it should be apparent that if the current arrangement does not stamp out the little tobacco farmers, this legislation will. In fact, I would go so far as to suggest that a more fitting title might be the "Tobacco Allotment Owners' Relief Act of 1983."

I believe that, given the opportunity, the U.S. farmer can compete with anyone in the world for his share of market position, providing he can operate under laws that will reflect any current situation and allow the appropriate response. A free market does this best, and our amendment will give the free market a chance to work. It will permit tobacco growers to get out from under the feudalistic allotment system and enjoy the rewards of farming themselves. It will protect low-income allotment holders by buying out their allotments at the fair market price as of March 8, 1983. This one-time payment, to be made on a sliding scale to holders with modified adjusted gross incomes up to $24,000, will be funded at no cost to the Federal Government, by a levy imposed upon growers. It should be less costly for the farmers, since they will have no lease payments for allotments.

In closing, let me simply note that I am not singling tobacco out. I have also opposed the acreage allotments system that was in place for peanuts, and have consistently supported free market reforms in other commodity programs as well. I urge the support of my colleagues for the deregulation of tobacco as outlined in this amendment.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. BAKER. Mr. President, I beg the indulgence of the two managers for a moment.

The minority leader is on the floor, and there is one routine matter to be taken care of and perhaps some colloquy about the remainder of the program for today.

Mr. President, the request I am about to put has been cleared, I believe, by the minority leader, and I will state it now for the benefit of the Senate.

EXTENSION OF REPORTING DEADLINE FOR RECONCILIATION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate committees instructed pursuant to House Concurrent Resolution 91 be given until October 31, 1983, to report their recommendations to the Senate Committee on the Budget.

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

SENATE SCHEDULE

Mr. BAKER. Mr. President, the minority leader asked me privately a moment ago what I saw in prospect for the remainder of the day. If I can anticipate that question now, I would like to repeat what I said earlier today. I do not see the benefit of asking the Senate to remain in late today. I would estimate a recess time of about 6 or 6:30, unless we can finish this bill and the unemployment benefits conference report.

Now, those are the two matters that we have to deal with that remain between us and adjournment until October 17. There may be other matters we can do such as the Interior appropriations conference report which we are cleared to do on this side, and I would like to do if we can. But with those three items, I think we have done all we can do. If we can complete those today, then we would not be in tomorrow. But at the rate we are going on the farm bill, it looks like we may not be able to do that. We have not yet done that on the unemployment matter. So I say to the minority leader that it would be my present plan to ask the Senate to stay in until about 6 or 6:30 this evening, come back at 10 o'clock tomorrow, and attempt to do these three items.

Mr. BYRD. We cannot do the Interior conference report because the manager on this side is gone.

Mr. BAKER. I understood that was the case. Could I inquire, will he be here tomorrow?

Mr. BYRD. No.

Mr. BAKER. Very well. Mr. President, it may be that we cannot do that at all. But we must do, in my opinion, the unemployment matter.

Mr. BYRD. I agree

Mr. BAKER. And the farm bill. So I would expect us to be in tomorrow unless we can finish those two items tonight.

Mr. BYRD. What is the progress on the unemployment compensation bill?

Mr. BAKER. I think good progress. Mr. President, the distinguished chairman of the Finance Committee, Senator DOLE, advised me a few moments ago that he has a conference arranged with the chairman of the House Ways and Means Committee that may be going on at this moment and will make one more effort to try to settle their differences in conference. If they do that, it may go very fast. If it does not, then we will have to do something else because we cannot let that program expire.

Mr. BYRD. I thank the majority leader.

Mr. BAKER. I thank the minority leader.

Mr. HUDDLESTON. If the majority leader will yield, I hope that we will stay long enough tonight to complete action on this pending bill.

Mr. BAKER. May I say in that respect, if we finish, if we can get the unemployment thing out of the way, then if the managers and others tell me that they can finish this bill by staying later, I would be willing to do that. But as I say, at the rate we are going, it does not look like that would profit us much. It looks like we would be better off to come in in the morning at 10 o'clock, but I will reserve final judgment on that until we get a little further in the day and judge the likely outcome.

DAIRY AND TOBACCO ADJUSTMENT ACT OF 1983

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2297

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I have the greatest affection and respect for the distinguished Senator from Ohio and the distinguished Senator from Utah.

I regret that they feel compelled to press their tobacco amendment on this bill. In fact, I find it very disappointing.

For a number of years those of us who represent the Nation's 276,000 tobacco farmers in 22 States have made efforts to modernize the tobacco program and to do everything we reasonably can to make the kinds of adjustments that are designed to answer the criticisms raised today.

I have already described the substantial changes made in the tobacco program in 1982 and have described in greater detail the comprehensive modifications made in the tobacco program in the legislation presently before us.

Every one of the modifications before us in this bill respond directly to the criticisms we have heard today. Short of destroying the equity base of hundreds of counties in many States, I just do not know what more we can do.

Our proposals are substantive and far-reaching, and will accomplish the purposes for which they have been drawn in a sound and practical—and yet effective—way.

Let me just say that the amendment now offered—and the bill upon which it is based—is just not sound legislation. It is not sound because it is based on a number of premises that are simply not accurate.

Permit me to take them one by one.

First, there is the assertion that there is a tobacco subsidy. Mr. President the No Net Cost Tobacco Program Act of 1982 assured that there would be no tobacco subsidy. In fact there never has been a tobacco subsidy. Since the program began in 1933, the producer associations have handled almost $7 billion in loans. During this time a net cost of $56.7 million in lost principal has been borne by the taxpayers. This compares to the more than $140 billion in excise taxes collected on manufactured tobacco products, and the scores of billions of dollars lost on other farm commodity programs over the years.

But since the enactment of the no-net-cost tobacco program, the taxpayers are assured that even those minor losses on tobacco of the past will not happen from 1982 forward.

The sponsors of this amendment attribute a cost of $591 million in lost interest to the CCC for this tobacco program—but that is just not true. The Commodity Credit Corporation set its interest rates for all nonrecourse loans. Tobacco was treated no differently than other program, of course. It is just not accurate to talk about CCC's interest losses on tobacco without addressing their interest losses on every other loan CCC has ever made.

In fact, this charge is really quite irrelevant. In 1981 the CCC announced that it would begin collecting interest fees which reflect the true cost of money to the Government for all price support loans made henceforth—including CCC tobacco loans.

Another charge is that the administrative costs attributed to the tobacco program somehow constitute a subsidy of tobacco. The attribution of the $15 million or so in incidential administrative costs for the tobacco program is based upon the person-hours of employees of the Agricultural Stabilization and Conservation Service (ASCS) in each of the county offices, and on up the line all the way to the office of the Secretary of Agriculture.

I remind Senators that there are ASCS offices in every county in the Nation, and that those offices would be in tobacco States even if there were not a stalk of tobacco in a county. Those costs are attributed to tobacco simply because that is what is grown in the area served by those offices. There is no certainty that any less money would be spent if tobacco were not grown, because they would then just attribute the expenses to some other commodity. The offices would not close down.

But perhaps these facts about the absence of any true tobacco subsidy are really not as important to the issue raised by the amendment as the fact that the tobacco program is not in contradiction to the smoking and health issue.

The tobacco program has been referred to as an absurd paradox because the Government provides funds for anticancer research and for the tobacco program.

I can assert without hesitation that there is no paradox at all. Permit me to quote the Honorable Joe Califano, former Secretary of Health, Education, and Welfare who made the following remarks in 1980:

> * * * If the tobacco program has any effect at all on public health it is favorable. The purpose of the program is to stabilize tobacco production, and thus, to assure fair prices to the farmer. If the program were to be withdrawn, though, prices would fall, and cigarettes might become less expensive, possibly encouraging more young people to smoke.

The allotment system has been likened unto feudalism, as "harking back to medieval times of lords and serfs," to quote one critic.

This, Mr. President, is highly charged emotionalism. The allotment system in the tobacco program is the very means by which production is limited. If Senators have aversions to allotments, then I am sure they will want to discuss the full range of marketing orders and agreements on fruits and vegetables. It would seem likely that they would be adverse to the quotas imposed on a host of producers of many crops in our own country, as well as quotas imposed on the importation of certain foreign products into the United States.

I should add, Mr. President, that the allotments and quotas inherent in the tobacco program are not at all feudalistic. They are franchises.

One obtains a franchise from the Government to do just about every kind of economic endeavor undertaken in a modern economy. For instance, the distinguished chairman of the Senate Banking Committee, who has sponsored the legislation to deregulate the tobacco program franchises, would have to acknowledge that the Government provides what amounts to franchises to operate banks.

None of us here could go out and start a bank tomorrow without going to the Government for permission.

Many States franchise the selling of alcoholic beverages.

New York City, I am told, has franchises for taxicabs. Are we going to abolish that franchise on this legislation?

The fact is that franchises are as part of American economic activity as they can be. The tobacco allotment franchises are no different.

We have undertaken substantial reforms to encourage the movement of tobacco allotments into the hands of active farmers. Corporations and other entities not actively engaged in farming will have to sell their allotments, and the general sales of allotments have been provided for in the 1982 No Net Cost Program Act.

In the bill now before us further substantial modifications have been made in the manner in which allotments and quotas can be held and transferred. I have explained them already in great detail, but let me once again emphasize that in order to en-

courage owners to become directly involved with the growing of the crop or to sell their allotments, the bill would permit, beginning with the 1984 crop year, the lease and transfer of the quota off the farm to which it is assigned only if the lessor shares in the risk of producing the crop. This is achieved by requiring that no payment on the lease prior to the sale of the crop would be permissible.

This restriction is designed to provide for a more equitable relationship between the lessor and the lessee so that both would share in the potential risk from the growing of tobacco.

Furthermore, beginning with the 1987 crop, the lease and transfer of Flue-cured allotments and quotas would be prohibited except for quotas consisting of 3,000 pounds or less. The tobacco would be required to be grown on the farm to which it was assigned unless it was combined with another farm in those instances in which the entire farm was leased.

The provision for the continuation of lease and transfer in the case of relatively small quotas of 3,000 pounds or less would last only through the 1989 crop when all lease and transfer of Flue-cured allotments and quotas would be terminated. The exemption would insure that these small allotment owners, many of whom are elderly, widowed, or otherwise have a significant dependence upon the income derived from the lease of their allotments or make other arrangement for the growing of the tobacco. The delay in the implementation of the prohibition of lease and transfer in these instances is deemed necessary to avoid causing any undue hardship on these individuals.

The delay in the elimination of lease and transfer of these smaller allotments will also assist farmers who depend upon leasing quota each year. Farmers who own small allotments are able to grow tobacco by leasing in enough quota for an efficient operation. The additional 3 years of lease and transfer of allotments of 3,000 pounds or less will allow these growers, who must have access to some tobacco quota in order to continue farming, an opportunity to make suitable arrangements prior to 1990, when all lease and transfer will be eliminated.

To require the massive sale or the abolition of allotments would totally disrupt the equity base of virtually all agricultural enterprise in the principal tobacco-producing regions.

As an example of the financial impact on small farms which have traditionally produced tobacco, Federal land banks, PCA's and other lending institutions in the tobacco-growing area have traditionally placed a value of $5,000 per acre allotment on any given farm; therefore, a 100-acre farm assigned a loan value of approximately $120,000 without tobacco allotments would be increased to $170,000 with a 10-acre tobacco allotment. Most lending institutions in the area would normally come up to 80 percent of the assigned loan value, in this case approximately $135,000. If tobacco allotments were eliminated, a high percentage of small family farms would not have sufficient collateral to justify their loans presently made by lending institutions including Farmers Home Administration. Many small family farms would undoubtedly be eliminated.

Mr. President, every purpose attributed to this legislation by its sponsors has already been addressed by the No Net Cost Program Act of 1982 and in the legislation now before us.

The subsidy is eliminated—though it never existed in reality.

The relationship of the allotment holder to the farmer has been corrected in large measure in the 1982 Act, and even more substantially in the present bill.

The crop has been made more competitive in world markets, through the proposed freeze in loan rates and other changes in the price support formula.

The quotas inherent in the allotments make the tobacco program supportive of the health goals of the sponsors of the amendment.

In short, there is no basis for the wholesale eradication of the program as is proposed by my distinguished colleagues.

Mr. HUDDLESTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. HUDDLESTON. Mr. President, I think it is somewhat unfortunate, that again, the time of the Senate is taken up on the amendment that is before us. We have dealt with this issue a number of times in recent history, and each time the Congress has agreed that this program should continue.

I have listened with great interest to the remarks of the two cosponsors, and while I have the highest regard for both of them—and they did make very eloquent speeches—the fact is that neither speech has much of a relationship to reality. I would remind those who represent other constituencies in the farm community and who frequently are before this Chamber speaking in favor of support programs that what we are talking about in relation to tobacco is not making an adjustment in the program, not just changing a price figure or a formula; we are talking about eradication of the program. We are talking about obliterating a program that has been, without question, the most successful agriculture program ever devised by the Congress of the United States. We are talking about a program that, if eliminated, would cause economic devastation in many States in these United States and would upset a system that has served well the consumer, the manufacturers, and the growers for a number of years.

In contrast to the pending amendment, S. 1529, the Tobacco Adjustment Act of 1983, will make the tobacco program more responsive to domestic and world supply-demand conditions, without wreaking havoc on farmers and agribusinesses.

I ask my colleagues to join me in voting against the pending amendment, and to continue to work with me and other tobacco State Senators to make sound and reasonable changes in the tobacco program—changes that will not impose significant losses on the 124,000 farmers in Kentucky, and the thousands more in some 21 other States, who rely on Tobacco as their principal source of income.

The elimination of the tobacco program as proposed in the pending amendment would throw into disorder the tobacco production and marketing system that has functioned effectively for over 40 years, a system that today assures 276,000 farmers market stabilty and a minimum price for their crops.

The amendment would create a boom and bust cycle in world markets where tobacco prices are 25 to 30 percent lower than the minimum domestic support prices for the major types of tobacco.

The amendment would lead to greater concentration in production and to the elimination of thousands of small family farms.

Obviously, tobacco companies will want to continue to receive tobacco to produce their products. They will, in all likelihood, seek out those farmers who produce in large amounts and can produce large acreages. They will likely contract for their production, get it at a lower rate, and thousands and thousands of farmers who are now able to stay on the farm just because of the cash income from their tobacco plot will not only be out of tobacco production but many of them, without any question, will be forced to quit farming altogether.

So, we are not just talking about this crop. There is no doubt in my mind it would have an effect on the amount of other crops that are produced.

The elimination of the tobacco program would force farmers wanting to remain in production to expand their acreage of tobacco, and to do so with a greater price risk in the market.

It would force producers to risk per-acre investment in tobacco, excluding rental costs, of over $2,000 per acre.

It would leave farm prices at the will of 6 major tobacco companies, 2 of which buy over 65 percent of the domestic crop. It would in time promote the production of tobacco in large

units, most likely under contract with the tobacco companies.

It would immediately destabilize the economy of the Commonwealth of Kentucky and of the other States and regions where tobacco is produced.

Local communities in Kentucky and the State, as a whole, would face an immediate financial crisis if the tobacco program was eliminated.

For each acre of tobacco, about $6,000 is added to the value of Kentucky's farms.

The elimination of tobacco quotas would, overnight, lower the appraised land values and the tax base for our State. Prof. Milton Shuffett, an agricultural economist at the University of Kentucky, has said that elimination of tobacco quotas would reduce State and local tax revenues by $1.5 billion. Such a loss would mean less money for schools, hospitals, assistance for the poor, and local community services—at a time when State and local governments are searching for every penny they can find to maintain adequate public services.

The elimination of the tobacco program would adversely affect businesses and credit institutions that serve agriculture and that are already suffering from the worst net farm income position agriculture has experienced since the depression. With the equity loss that would occur with the elimination of the tobacco program, the loan collateral of the tobacco farmer would fall. This would compound the farm foreclosure problems already resulting from the recession and the drought.

The elimination of the program would precipitate a sharp decline in tobacco prices and not benefit tenant farmers or others who the amendment may be designed to benefit.

It would lower the net worth of farmers who purchased their farms with an allotment and those who have in the settlement of estates been given land in lieu of other items.

It would take a source of income from retired farmers.

It would add to the Federal deficit as loan stock values plummet, and inventories of tobacco now under loan are marketed.

It would also likely add to outlays in the Federal budget for Federal assistance programs as small farmers' incomes are reduced and those without employment alternatives become eligible for assistance.

In short, Mr. President, this amendment would kill a producer-supported program that has been effective and efficient in providing market stability and price support for our fifth major farm commodity for over 40 years.

Too frequently, Mr. President, the impression has been given that tobacco is important only in the Flue-cured area and the leading Flue-cured tobacco State, North Carolina. But, I wish to assure my colleagues who may consider supporting this amendment that this is not the case.

As the leading burley tobacco State, the tobacco program is vital to Kentucky, as it is to the other 21 tobacco producing States.

Only 3 of Kentucky's 120 counties are not affected by the farming, auctioning, manufacturing, or wholesaling of tobacco. One of every 14 jobs in the Commonwealth, either directly or indirectly, is tobacco related.

The farm value of Kentucky's burley crop in 1982 was almost $1 billion. Seventy-three percent of the farms in Kentucky produce tobacco. And of those farms, over 75 percent of the burley tobacco farms contain less than 50 acres. Over two-thirds of the producers grow less than 2 acres of tobacco.

While many burley farm households received some off-farm income, a third receive no nonfarm income or less than $2,500 from nonfarm source.

While produced on only 0.3 percent of the Nation's cropland, tobacco is consistently the fourth or fifth most valuable crop, accounting for approximately 4 percent of cash receipts from all U.S. crops.

The contribution of tobacco has long been recognized, as has the need for orderly marketing in the industry.

Congress, in the Agricultural Adjustment Act of 1938, declared it in the national public interest:

> To assist in the marketing of agricultural commodities for domestic consumption and for export; and to regulate interstate and foreign commerce in cotton, wheat, corn, tobacco, and rice, to the extent necessary to provide an orderly, adequate, and balanced flow of such commodities in interstate and foreign commerce through storage of reserve supplies, loans, marketing prices for such commodities and parity of income, and assisting consumers to obtain an adequate and steady supply of such commodities at fair prices.

Following the passage of the 1938 act, cooperative marketing associations were established to serve as agents for the Commodity Credit Corporation (CCC) and take under loan quantities of tobacco that would depress farm prices and farm income, and to offer those stocks to the market when production shortfalls occur.

Similar loan and support operations have been provided for other commodities.

For 40 years, the tobacco program has assured thousands of tobacco farmers minimum prices for their crops. And, it has provided tobacco companies with quality tobacco and a reserve supply of domestic tobacco when production shortfalls have occurred.

During its 40 years of operation, the Burley Tobacco Growers Cooperative Association, located in Lexington, Ky., has received and resold 1.8 billion pounds of tobacco, an amount equal to almost three crops and an amount that, if allowed to overhang the market, would have depressed farm prices and farm income.

To take this quantity of surplus tobacco under loan, process and resell it, the association has borrowed from and paid back to the CCC an amount, with interest and fees, totaling $1.28 billion, and distributed to its members net gains of over $32 million.

Without question, the tobacco program has been effective, remains fiscally sound, and is needed.

Mr. President, while modified legislatively and administratively during its history, the tobacco program has been supported, repeatedly and overwhelmingly, by farmers voting in regularly scheduled referenda.

In return for a minimum support price and an orderly marketing system, farmers have voted to limit production.

Perhaps the most frequent misrepresentation regarding the tobacco price support program has been the assertion that it is inconsistent with programs administered by the Department of Health and Human Services to discourage smoking. As clearly shown by statements issued from the Office of the Secretary, and the Office of Smoking and Health, in the Department of Health, Education, and Welfare, there is not an inconsistency.

In an April 15, 1980, letter to me from Mr. Wilson B. Welsh, then Assistant Secretary for Legislation, Office of the Secretary, Department of Health, Education, and Welfare, Mr. Welsh stated, and I quote:

> * * * The Department has long held that the price support program of the Department of Agriculture is not a public health issue. The purpose of the program is to protect the price the farmer gets for this tobacco, not to encourage or uphold cigarette smoking. Presumably, if the program were removed the price would drop, which would mean either more profit for the cigarette manufacturer or lower prices for the person who buys cigarettes. This might actually increase consumption.

Similarly, Mr. Robert Hutchins, Associate Director, Office of Smoking and Health, and an ardent antismoking advocate, stated with regard to the tobacco price support program, and I quote:

> We must do what we can to encourage current smokers to quit and to encourage nonsmokers, especially young people, not to take up the habit. We are doing this through our smoking and health initiatives. If the government's price support program for the tobacco farmer has any effect at all on public health it is favorable. The purpose of the program is to stabilize tobacco production, and, thus, assure fair prices to the farmer. If the program were to be withdrawn, tobacco prices would fall, and cigarettes would become less expensive, possibly encouraging more young people to smoke.

President Reagan and Secretary Block have supported the tobacco price support program.

Secretary Bergland stated that it makes no sense to dismantle the tobacco price program and suggested that the issues of smoking and health and the tobacco support program be separated. I agree.

It is my hope that others realize, as has Joseph Califano, the former Secretary of Health, Education, and Welfare, that abolition of the tobacco price support program would not result in one less cigarette being smoked.

Further, the tobacco program is not costly. It has been effective and the least costly farm commodity price support program administered by the USDA during the 40-year history of commodity programs.

During the period 1970 through 1982, net outlays for feed grain, wheat, cotton, dairy, rice, and wool and mohair, totaled $16.5 billion, $10.4 billion, $6.1 billion, $6.9 billion, $0.6 billion, and $0.6 billion, respectively. In fact, the cumulative loss on the tobacco program represents less than 0.2 of 1 percent of CCC's total loss of about $21.1 billion on all commodity loan inventory operations since 1933.

Last year, the 97th Congress enacted the No-Net-Cost Tobacco Program Act and doubled the Federal excise tax on cigarettes. To continue to assert that the tobacco program is a burden to the taxpayers of this country is nothing more than a repetition of the same arguments that opponents of the program used prior to the actions of the 97th Congress. Producers now contribute to a reserve account an amount the Secretary determines will be sufficient to pay costs incurred in the tobacco loan program operations of the Commodity Credit Corporation.

To eliminate the tobacco program, or make modifications that would signficantly reduce domestic production and exports, would lead to increased imports of tobacco and tobacco products. This could erase the net trade balance in tobacco of $2 billion from which the U.S. economy benefited last year.

Further, to assert that tobacco is a drain on the Federal Treasury, one would have to ignore the $7.4 billion in Federal, State, and local excise taxes on tobacco that support other Federal and State programs each year.

If the amendment that is now before this body is enacted, hundreds of thousands of small tobacco farmers in my State, and others, will suffer.

There is no way that small farmers in my State would be able to continue to produce tobacco facing the capital requirements and the market uncertainty that would exist if there was no tobacco program.

As I have noted, tobacco farmers in Kentucky are not large nor well-capitalized farmers. They are small operators who could not continue farming under the boom and bust conditions that would prevail in the absence of the tobacco program.

Even if tobacco production in this country was totally ended, cigarette manufacturers would continue to make cigarettes using imported tobacco. Who would benefit under this type of situation?

Not the American public generally because our balance of payments deficit would grow; not the 55 million cigarette smokers in the United States: and not the tobacco farmers.

Interest rates on CCC loans have already been raised to a level equal to the cost of money.

Further, tobacco farmers during the past 2 years have paid fees to cover $8 million in annual costs that previously had been expended from the treasury to maintain the tobacco grading and inspection service—an essential marketing function that has been covered many times over by taxes imposed on tobacco products.

The elimination of the program would adversely affect tobacco farmers, rural communities, and the national economy. With farm income already a major national concern, a high farm debt load, and interest rates unabated, there is little doubt that the elimination of this tobacco program would exacerbate an already severe income problem for farmers.

Really, it is a strange departure, it seems to me, that my good friend from Ohio is offering this particular amendment. He has stood on this floor time and time again, hour after hour, upholding the rights and the interests of the small people in this country, according to his understanding of what their needs are. Yet, what he would do with his amendment is eliminate virtually all of the small farmers who now have an opportunity to raise tobacco.

All we have left under the tobacco program is a mechanism for stabilizing prices. We have made it a no-cost program to the Government. Nonetheless, this mechanism spreads the opportunity to grow tobacco among hundreds of thousands of small farmers rather than having it consolidated in the hands of a very, very few large farmers. Unfortunately, consolidation is what the amendment offered by the distinguished Senator from Ohio would do.

I yield to the majority leader who is on the floor at the present time.

Mr. FORD. Mr. President, the complexity of the multibillion-dollar tobacco industry is deeply rooted in the 22 States producing tobacco. A balancing factor in this industry, be it supply or price assurance, is that of the tobacco price support program.

This program has too often been maligned by the uninformed who do not understand the basic components by which it operates. The public must be relieved of the notion that the program is a subsidy; in truth, it is an interest-bearing loan from the Commodity Credit Corporation, a separate division of the U.S. Department of Agriculture.

The Burley Tobacco Growers Cooperative Association and its farmer members are proud of their history and contribution of stability for farmers in Kentucky, Missouri, West Virginia, Indiana, and Ohio.

The program provides not only stability to farmers, but to industry and export concerns as well. For example, prior to 1982, there were virtually no pool stocks, less than one-tenth of 1 percent of a normal year's production.

The 1982 crop, bountiful because of the graceful weather, proved to be a bumper crop. The large production proved to be more than the trade could handle, therefore a large amount was placed under loan with the cooperative. The responsibility of this tobacco was, and is that of those farmers, especially with the implementation of the no-net-cost program.

We have just experienced the worst drought in over 50 years in Kentucky. The crop is expected to only yield about 50 percent. Now this drought is undoubtedly going to prove an undue hardship on our farmers.

There exists, because of the stability of the program, a definite advantage to the trade and export concerns. The pool stocks under loan this year assured a supply to the industry. If we did not have these pool stocks, many export orders would have gone unfilled due to the drought. Anyone in the export business will tell you, if you cannot fill an order any given year, there is no guarantee that customers will be back the following year, even with a bumper crop.

Assurance of quality and stability are the reasons U.S. tobacco producers are the leaders in the world. We are the world's largest exporter of tobacco and tobacco products, approximately $2.8 billion annually.

I might point out that over 60 percent of all loan stocks in burley have been sold this year. According to the no-net-cost provision, any profits will be placed in the no-net-cost account, to assure that there will be no loss to the Government.

Mr. President, the modifications for tobacco outlined in S. 1529 are further proposals, made by the farmer, to make the no-net-cost tobacco program more responsive to market conditions. Tobacco farmers are asking for price changes, out of their own pockets, to shore up and solidify the no-net-cost tobacco program.

I see no reason to object to any of the provisions included in S. 1529.

It was just last year, that with the passing of the no-net-cost tobacco pro-

gram, a pioneering piece of legislation, we as the Congress entered into a good faith agreement with tobacco producers in 22 States. To this day the farmers have lived up to this agreement.

The changes in S. 1529, are only changes made to go further, in assuring the tobacco program is of no cost to the Government, in fact, a money maker. To object to these changes outlined in S. 1529 is to object to the principle of a no-cost program, no cost to the taxpayer. Yet let us not forget, that all tobacco farmers are taxpayers, and deserving of the same considerations as all taxpayers.

Mr. HATCH. Mr. President, I should like to take this opportunity to speak in favor of the Garn-Metzenbaum tobacco deregulation bill.

I have always felt that it made absolutely no sense for the Government to be involved with the production of a commodity which is believed to be the single most important cause of preventable death and illness in the United States.

Smoking accounts for an estimated $13 billion in direct health care costs every year and an annual cost of $25 billion in lost wages, productivity, and absenteeism. I have continually stressed the need for a strong cigarette labeling bill which would outline the risks an individual is taking when he/she smokes a pack of cigarettes, and I will continue to do so. I believe this to be an equally, if not more, important piece of legislation.

It is estimated that the administrative costs associated with this program alone equaled $15.9 million in fiscal year 1983. It makes no sense for the Government to be concerned on the one hand with the health problems caused by the use of tobacco while at the same time investing in its cultivation.

As compelling as I believe this argument to be, I also believe it behooves us to rid ourselves of an archaic allotment system, which has existed since the 1930's. It is almost inconceivable to think that farmers must pay others for the right to grow tobacco, and at a handsome figure as well. The principal beneficiaries of this tobacco program, according to the General Accounting Office, are indeed tobacco allotment holders, most of whom are not tobacco growers.

A farmer routinely has to pay more than $15,000 to rent a tobacco allotment for 1 acre of land. Yet, an average acre of agricultural land in the United States would rent for about $50 to $60 an acre. The rent alone equals 65 percent of the production cost.

While the Government is involved in the regulation and support of other commodity groups, I believe that we must point out that tobacco is not a crop that nourishes, that it is not a crop that we could consider in the same category as wheat or grain, and the criticism of Government involvement in this program should not be construed to be linked with the merits of any other agricultural program.

I therefore urge Members to give this proposal the serious consideration it deserves and vote for its adoption.

Mr. SASSER. Mr. President, I rise today in opposition to the Metzenbaum amendment which seeks to do away with the tobacco price support program. This amendment would in effect eliminate what is one of the most successful of all our Federal agriculture programs.

Since 1933, the Federal Government has expended some $6 billion in loans under the tobacco program. Of this amount, only $58 million in principal was not repaid. Tobacco has the best overall loss record of all the major commodities involved in Government price support programs. Only about .02 percent of the total price support losses for all of these programs is attributable to the tobacco program. The Department of Agriculture expects a 98.8-percent return of all dollars invested in the tobacco program, according to the Agriculture Committee report accompanying this legislation.

This is the type of program we should take pride in, Mr. President, not one we should be moving to take apart. The present price support program is very important to the 55,000 to 60,000 tobacco farmers in Tennessee. In conversations with these men and women I have been told time and time again that without the tobacco program we will have a lot of tobacco being unsold and many of our smaller tobacco producers will be forced out of business.

Such a negative impact would be devastating to a State like Tennessee. The preliminary figures for 1981 show that tobacco production in Tennessee topped 161 million pounds. This crop made Tennessee the Nation's third leading tobacco producer in that year.

This tobacco crop brought in over $250 million to the Tennessee farm economy. This figure represents 13.8 percent of all 1981 farm income in Tennessee from both crops and livestock. This sum made tobacco the second leading cash crop in Tennessee behind soybeans. Many tobacco farmers contend, however, that when you look at net profits, tobacco is actually the leading cash crop in our State.

The $250 million tobacco brought to Tennessee's farm economy does not include the income generated from tobacco related jobs in Tennessee. The 1981 figures show that 1 out of every 32 jobs in Tennessee exist because of tobacco. There are jobs in every one of Tennessee's 95 counties that are connected with the tobacco industry.

Tobacco also means income to the State of Tennessee in addition to the individual citizens of our State. State and local governments in Tennessee received vast amounts from the various taxes associated with tobacco and tobacco products. For example, in the fiscal year ending July 1982 the State of Tennessee collected over $78 million from taxes on the sale of tobacco products. When you start to factor in additional taxes such as sales tax, local government taxes and the like, you reach a total of approximately $160 million in revenues in Tennessee due to tobacco.

Clearly, neither the State nor the individuals associated with Tennessee's tobacco industry would gain from abolishing the price-support program. Without the certainty and stability generated by the tobacco program, thousands of small tobacco farmers in Tennessee would be forced out of farming. This would be the case as most tobacco farmers in Tennessee are small producers who could not continue operations under the uncertain conditions spawned by abolishing the tobacco program.

While I have focused my attention on the benefits of the tobacco program to Tennessee, the same benefits apply on the national level. The Federal Government collected some $2.5 billion in revenues from tobacco products in fiscal year 1981. And a recent study by the Wharton Center shows that tobacco and tobacco products generate $57.6 billion toward the Nation's gross national product. This study continued to show that in 1979 tobacco gave, directly and indirectly, to all 50 States 2 million jobs of all kinds, $30 billion in wages and earnings, and $15.5 billion in capital investment.

I ask my colleagues to consider the significant contributions made by the tobacco industry to our Nation when they vote on this amendment. I further ask them to realize the important role the tobacco price support program plays in maintaining this strong economic contribution.

Mr. THURMOND. Mr. President, I rise in support of the language in this bill which amends the tobacco price support program.

These specific provisions contain reasonable, farmer-initiated changes in the program, and are directed at resolving the controversial aspects of the tobacco allotment system.

Among its provisions, the bill gives new tobacco growers a greater percentage of tobacco quotas. It eliminates the double assessment on growers contributing to the Government no-net-cost fund. In addition, this legislation abolishes the practice of lease and transfer by the beginning of the 1989 crop year.

Mr. President, the elimination of lease and transfer is, in my view, a major concession to the persistent, vocal opponents of this program. This

particular change will result in many South Carolinians and farmers in other tobacco-producing States to alter their tobacco farming system.

Mr. President, it is very important that this legislation pass Congress without substantial change to insure that a smooth, dependable tobacco production program and marketing process remain in place.

Tobacco is vital both to the economy of my State and to the Nation. Tobacco is the fifth largest cash crop nationwide in terms of value, with marketings of $3.5 billion last year. This important crop is grown in 22 States on some 200,000 separate farms. In South Carolina, tobacco is grown on over 5,000 farms and employs over 27,000 people.

Mr. President, in my home State, as well as in the other Flue-cured tobacco producing States, the Flue-cured tobacco farmer typifies the family farmer. This remains true even though many changes have taken place over the years. In the early years of the program, all the cultivation was done with mules, and the crop was hand harvested by the family and neighbors. Now we are in an age of expensive tractors, bulk barns, and mechanical harvesters. Yet, despite this extensive mechanization, Flue-cured tobacco farmers still exemplify the independent family farm operator, whose economic vitality is essential to the future well-being of American agriculture.

Mr. President, the United States is the leading exporter of tobacco. Tobacco product exports greatly improve our balance of trade, with the value of U.S. exports amounting to over $2.8 billion in 1982. Last year alone, Federal, State, and local governments collected $7.4 billion in sales and excise taxes on tobacco. South Carolina received $29 million taxes from the sale of tobacco products in 1982.

Mr. President, tobacco is a vital contributor to the health of our economy. We must stand behind the tobacco program and reject any changes that are designed to weaken or restrict it. Few, if any, farm programs can match the record of farmer cooperation and fiscal responsibility achieved under the tobacco program in its extensive history.

Of course, there is always room for improvement and timely revision in any program to insure that it remains current and cost effective. This is the purpose of this legislation—to make changes in the tobacco program as appropriate as possible in light of economic and other developments, but only such changes as are necessary to preserve the cost effectiveness of tobacco farm policies which have a proven track record of success.

For these reasons, I support this legislation and hope that my colleagues will go on record in support of it and table the Metzenbaum amendment.

Mr. BAKER. I thank the Senator for yielding.

Mr. President, I am prepared to move to table the amendment. I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS announced that the Senator from Oregon (Mr. HATFIELD), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Maryland (Mr. MATHIAS), the Senator from Oregon (Mr. PACKWOOD), are necessarily absent.

I further announce that, if present and voting, the the Senator from New Hampshire (Mr. HUMPHREY), would vote "nay".

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), the Senator from Colorado (Mr. HART), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from New York (Mr. MOYNIHAN), are necessarily absent.

The PRESIDING OFFICER (Mr. KASTEN). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 57, nays 33, as follows:

[Rollcall Vote No. 285 Leg.]

YEAS—57

Abdnor	East	Mattingly
Andrews	Exon	McClure
Armstrong	Ford	Melcher
Baker	Goldwater	Nunn
Baucus	Grassley	Pressler
Bentsen	Hecht	Pryor
Bingaman	Heflin	Quayle
Boren	Helms	Randolph
Boschwitz	Huddleston	Sarbanes
Bumpers	Jepsen	Sasser
Burdick	Johnston	Stennis
Byrd	Kassebaum	Stevens
Chiles	Kennedy	Symms
Cochran	Laxalt	Thurmond
Denton	Leahy	Tower
Dole	Levin	Trible
Domenici	Long	Wallop
Durenberger	Lugar	Warner
Eagleton	Matsunaga	Zorinsky

NAYS—33

Biden	Gorton	Percy
Bradley	Hatch	Proxmire
Chafee	Hawkins	Riegle
Cohen	Heinz	Roth
D'Amato	Kasten	Rudman
Danforth	Lautenberg	Simpson
DeConcini	Metzenbaum	Specter
Dixon	Mitchell	Stafford
Dodd	Murkowski	Tsongas
Evans	Nickles	Weicker
Garn	Pell	Wilson

NOT VOTING—10

Cranston	Hollings	Moynihan
Glenn	Humphrey	Packwood
Hart	Inouye	
Hatfield	Mathias	

So the motion to lay on the table Mr. METZENBAUM's amendment (No. 2297) was agreed to.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on the Jepsen amendment which was temporarily set aside. The Senator from Iowa.

Mr. JEPSEN. Mr. President, I now ask unanimous consent that my amendment be temporarily laid aside in its order so that the Senator from Georgia might present an amendment.

The PRESIDING OFFICER. Is there objection?

Mr. METZENBAUM. Reserving the right to object, Mr. President, it is my understanding that the Senator from North Carolina (Mr. HELMS) asked me to yield for someone else, and now I understand I am three back.

Mr. HELMS. Mr. President, I think we can act on all of these in fairly rapid order, and we will move as fast as we can.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Georgia is recognized.

AMENDMENT NO. 2298

(Purpose: To delete the exemption from the elimination of lease and transfer and to require option for installment payments for sales of Flue-cured tobacco allotments)

Mr. MATTINGLY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Georgia (Mr. MATTINGLY) for himself and Mr. NUNN proposes an amendment numbered 2298.

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

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

The amendment is as follows:

On page 45, line 9, strike out "1989" and insert in lieu thereof "1986".

On page 45, lines 17 and 18, strike out "for the 1984 through 1986 crops of such tobacco".

On page 46, line 5, delete the colon and all that follows through "pounds" on line 10 and insert in lieu thereof ". The Secretary shall promulgate rules which establish a similar requirement for fall payment of any rental of Flue-cured tobacco allotment acreage and quota, and further shall require that any seller of a Flue-cured tobacco allotment and quota grant to the buyer an option to make payment therefor in equal

annual installments payable each fall for a period not to exceed five years from the year in which the sale is made."

On page 46, line 10, strike out "1990" and insert in lieu thereof "1987".

On page 48, strike out line 21 and all that follows through line 25.

On page 49, line 1, strike out "(c)" and insert in lieu thereof "(b)" and strike out "1990" and insert in lieu thereof "1987".

On page 49, line 3, strike out "subsections (a) and (b)" and insert in lieu thereof "subsection (a)".

Mr. MATTINGLY. Mr. President, let me just say that I applaud the hard work of the distinguished chairman of the Agriculture Committee, Mr. HELMS, and that of the able ranking member, Mr. HUDDLESTON, and each of the committee members. I think they have come a long way in attempting to solve the complicated problems which face our farmers in growing and marketing tobacco in an orderly and efficient manner. Let me also remind my colleagues at this point that these proposed changes come only a year after we passed legislation which makes the tobacco program unique among farm programs. Unique because the tobacco farmers themselves support this program through an assessment which is charged against all tobacco grown and marketed so that there will be no cost to the Government because of its operation. So again, I wish to extend my thanks and appreciation to those on the committee who have helped to restructure this program so vital to our growers.

However, while the measure before us today makes significant improvements, I feel that there are several areas where further modifications of a relatively minor nature are needed. The committee has wisely included provisions which will terminate the practice of leasing Flue-cured tobacco allotments and transferring them to the lessee's farm to be grown. This practice has significantly added to the overall cost of production and has left the actual grower in many instances with very small profits as a reward for his investment, labor, and expertise. Unfortunately, the committee bill provides that any marketing quotas of 3,000 pounds or less would be exempted from this phaseout in lease/transfer until the year 1990. Since a large portion of Flue-cured quotas are in fact less than the 3,000 pounds, most actual growers would be forced to continue paying someone else for the right to grow and market tobacco. I feel that the committee was exactly correct in their initial conclusion that the practice of lease/transfer should be terminated in an orderly manner. However, I also think that we should require all allotment owners to play by the same rules. There is no reasonable justification for a different treatment based simply on the number of pounds an allotment owner is assigned for marketing purposes. There is no rational logic which would require us to tell one allotment owner who has 3,001 pounds of quota that he must either grow it on his own land after 1986 or sell it to an active grower in his area, and then turn right around to the owner who has only 2,999 pounds and say that it is OK for him to keep charging rent to active growers for another 3 years until 1989.

With this exception, the committee has taken great strides toward helping the tobacco producer lower his costs of production in the near future. The committee provision requiring lease payments during the phaseout period to be made in the fall, and that such payments be in the form of a percentage of the sales price of the crop rather than a fixed cash basis will further reduce front-end costs to the farmer. Most present lessees are forced to borrow money early in the year in order to pay cash rents. They must then bear the interest expense until the harvest is in and the bank is repaid. Thus, the measure will eliminate this portion of the farmer's expense leaving him more in the way of a reasonable profit.

Throughout the committee's deliberations, most witnesses testified that the elimination of the lease/transfer practice would result in the actual grower acquiring the right to grow tobacco in his own right. I agree that this would be the result in general, and that this is a very desirable result. However, I again feel that the Committee can go one small step further and have provided some assistance to the grower who wants to buy the allotment from his former landlord. In the measure proposed, we would put the pressure on the present nonproducing allotment owners to transfer the right to grow to the hands of the actual producer. Unfortunately, however, many of those individuals who are currently having to lease allotments in order to grow tobacco are not in any financial condition which would allow them to borrow large sums of money for the purchase of the allotment. This amendment will offer a small measure of assistance to the grower who wants to buy the allotment from his landlord by requiring the landlord to accept payment in annual installments. These installment payments would be made in the fall after the harvest is in, and would not extend more than 5 years from the date of the sales agreement. Again, this provision helps to facilitate the orderly transfer from the nonproducer into the hands of the actual grower. At the same time, it requires no funding on the part of the Government and a minimum amount of USDA involvement.

Mr. President, I feel that this amendment is simply a logical modification of the very good product which the Agriculture Committee and its able leadership have already provided to us. I hope that my colleagues will see the reasonableness of this amendment and will support it enthusiastically.

Senator GARN pointed out that the small farmer might not have access to funds to buy his allotment. My amendment would cure any such problem by requiring the seller to accept the purchase price in annual installment over a period of 5 years.

Mr. NUNN. Mr. President, I rise to support my colleague from Georgia, and his amendment to the Dairy and Tobacco Adjustment Act of 1983 to delete the exemption from the elimination of lease and transfer of Flue-cured tobacco.

The No Net Cost Tobacco Program Act of 1982 made great strides toward providing that the tobacco program be operated at "no net cost" to American taxpayers. Toward that end, a number of changes in the program were made to provide a better tobacco program for the American taxpayer, as well as for the tobacco growers. The bill we are considering today, Mr. President, makes further changes to encourage Flue-cured tobacco allotment holders to become more directly involved with growing tobacco, or to sell their allotment. However, the bill allows for an exemption for quotas consisting of 3,000 pounds or less.

I feel that this exemption, if allowed to stand, would mean that very few allotments held by those not involved in growing tobacco would be sold. The average quota is less than 3,000 pounds, and therefore the majority of quota held by nongrowers would be exempt from the requirement that they must either become directly involved in growing the tobacco, or must sell the allotment.

Mr. President, I feel this exemption to be unfair to growers, as well as to allotment holders who are not growers but are sharing in the risk of growing tobacco. One of the reasons given for this exemption is to allow the allotment holders additional time to sell the allotments. Under the provisions of this amendment, these allotment holders will have until 1987 to sell the allotment or to become actively involved in production.

The Agriculture Committee has brought to the floor a bill which moves the tobacco allotments to the tobacco growers. I applaud this important move, Mr. President. However, I see no reason for delaying by 3 years the deadline for allotment holders whose quotas are less than 3,000 pounds. I believe the 1987 deadline for poundages over 3,000 pounds allows adequate time for an allotment holder to make a decision on whether to sell the allotment or share in the risk. Additionally, I feel it would be unfair and

unnecessary to allow certain allotment holders such an exemption.

Mr. President, I again commend the efforts of the chairman and ranking member of the Agriculture Committee. I do, however, urge the adoption of this amendment which will make a small but significant change in the committee version.

Mr. MATTINGLY. I ask whether the honorable chairman of the committee would be willing to accept these two small modifications in the program which are really going to create equity?

Mr. HELMS. Mr. President, we have examined the amendment and, speaking for this side, we are willing to accept it. It will give the Senator from Georgia and the rest of us an opportunity to look at it in conference, and I appreciate his offering the amendment. We will accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia.

The amendment (No. 2298) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the pending Jepsen amendment be temporarily laid aside in order that I may present an amendment.

The PRESIDING OFFICER. Is there objection?

Mr. JEPSEN. I object.

The PRESIDING OFFICER. Objection is heard.

AMENDMENT NO. 2296

Mr. JEPSEN. Mr. President, my amendment is intended to provide for the orderly marketing of the cull dairy cows which must be a part of this program if it is to be successful. The potenital exists for a severe impact on both pork producers and cattlemen by the cull dairy cows which dairymen will be selling for slaughter. That is, the additional volume of meat on the market will be directly competing with beef and pork for the consumers' dollar.

While it is true that anything we do to reduce the huge milk surplus will bring additional meat on the market, we must make sure that it is done in an orderly fashion to protect against an unnecessarily adverse impact on the pork and beef industries.

Mr. President, it is important to recognize the strains under which livestock producers have been operating this year. First, the Congress and the administration implemented the payment-in-kind (PIK) program which resulted in a significant increase in feed costs to livestock producers. Next, we saw devastating drought conditions in many parts of the country.

Many livestock producers who have traditionally produced all their feed grains are now without feed for their livestock. We must recognize the additional impact on the red meat sector that will result from the dairy compromise program.

My amendment attempts to do this in a constructive manner. First, my amendment will require that the Secretary, in setting up the contracts for the paid diversion program, take into account any adverse impact the reduction in milk production would have on pork and beef producers, and he should take all feasible steps to minimize such impact.

The Secretary may accomplish this, in effect, by choosing to decrease the incentive for dairymen to reduce production excessively in the first quarter of the program.

Second, under this amendment, the Secretary, if he saw the need, could allow a producer who has contracted for a 10-percent reduction, for example, to cut production in the first quarter by only 5 percent and still receive the same payment as if he had reduced the full 10 percent during that quarter.

However, the producer's total reduction for the full 15-month diversion period would still have to equal 10 percent, so he would necessarily have to make reductions during the later quarters of the contract period.

This amendment, then, would allow the Secretary to permit adjustments in the diversion contracts aimed at reducing the impact on red meat prices, and thus provide for a more orderly marketing of dairy cows.

I recognize that this would result in additional purchases of milk by the Government during the first 6-month period. However, I think that my colleagues will agree with me that my amendment keeps intact the major provision of the dairy compromise proposal while attempting to address the orderly marketing of the cull dairy cows.

I urge my colleagues to join in support of my amendment.

If the managers of this bill would accept this amendment, I would ask, without asking for the yeas and nays, that it be so done.

Mr. HELMS. It is my pleasure to support this amendment. The proposal before us addresses concerns which have recently been raised by the pork and beef producers. Upon analyzing the projected result of the dairy compromise, these groups came to fear the impact which the diversion program would have upon red meat markets.

With so much surplus dairy production taking place these days, and so many surplus cows giving milk, any adjustment which we make to bring dairy production more in line is bound to bring more meat on the market. However, in making our adjustments to the dairy program, we should take every precaution to help minimize any adverse effect which these adjustments could have upon livestock producers. The Jepsen amendment accomplishes this by giving the Secretary the opportunity to promote a more orderly flow of cull cows to slaughter during the diversion period.

Specifically, this amendment would require that the Secretary of Agriculture shall, in setting the terms and conditions of the diversion contracts, take into account any adverse impact which the reduction in milk production would have upon pork and beef producers, and should take all feasible steps to minimize any such impact.

In addition, it would clarify the Secretary's discretionary authority to make payments to producers on a quarterly basis under the diversion contracts in such a way that producers would not be encouraged to make excessive reductions in production in any one quarter.

I well understand that it must have been no easy matter producing an amendment which both takes into account the situation of the livestock industry, and retains the effectiveness of the diversion program. Another faced with the dilemma of reconciling these interests could have well been content to turn a deaf ear to the concerns of their cattlemen and pork producers. However, my colleague from Iowa has taken the bull by the horns and has given us this amendment.

Let me say, too, that as a Senator who also represents many pork and beef producers, I have been pleased to work with Senator JEPSEN and other members of the committee, including my friend from Minnesota on this proposal. I am most grateful to Senator JEPSEN for taking the lead on this question, and I encourage my colleagues to join me in support of this amendment.

Mr. President, I do support the amendment. I believe the Senator from Kentucky does, as well.

Mr. HUDDLESTON. I have no objection to the amendment.

Mr. HEFLIN. Mr. President, I rise in support of the Senator from Iowa in this connection. I think it is needed. The drought and some planting that was not carried out relative to the PIK program caused a substantial increase in the feedgrains that cattle producers and hog producers use.

I think that the Jepsen amendment, which would require that the Secretary, in setting the terms of the dairy diversion contracts, take into account any adverse impact resulting from the diversion program on beef and pork producers and take all feasible steps to minimize the impact to these producers, is an excellent amendment. I am a

cosponsor of the amendment and I urge its adoption.

Mr. JEPSEN. Mr. President, I ask unanimous consent that Senators GRASSLEY, THURMOND, DIXON, BOREN, HEFLIN, and BOSCHWITZ be added as cosponsors.

Mr. BENTSEN. And the Senator from Texas.

Mr. JEPSEN. And the Senator from Texas (Mr. BENTSEN).

Mr. COCHRAN. Will the Senator also add my name?

Mr. JEPSEN. And the Senator from Mississippi (Mr. COCHRAN).

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

Mr. GRASSLEY. Mr. President, I find little pleasure standing here today facing the dilemma presented by this agriculture legislation. In all the years I have served in Congress, I do not remember a time that I have had to choose sides on issues pitting the different farm sectors from within my State against each other. I suppose that we should have seen it coming during the last 2 or 3 years when it became abundantly clear that the spending spree of the Federal Government must come to a halt. The debate over the 1981 farm bill was our first real taste of how the once strong, bipartisan farm coalition was crumbling from the pressures of budget restraint.

The dairy proposal contained in S. 1529, is unique because it has drawn fire from our livestock producers who stand to be harmed by the milk production reduction incentive. I have urged representatives of dairy, cattle, and pork interests to meet to iron out their differences and to formulate a proposal that will accommodate all concerned. This has not occurred. One side says the other will not talk; the other argues that outside groups should not have a say in their farm programs.

It would be nice if this controversy would simply disappear. It will not, so I have to determine how best to represent my broadest constituency. I am certain that most of my colleagues have a certain number of constituents involved in cattle, pork, and dairy production. I would like to share with my colleagues the latest statistics from the Iowa Department of Agriculture.

In 1980, 50,000 farms in Iowa marketed slaughter hogs. Roughly 40,000 farms included farrowing operations. Thirty-two thousand Iowa farms marketed grain-fed cattle and 40,000 farms included beef cows. During the same year, Iowa had about 14,000 dairy farms.

In 1980, Iowa led the Nation in livestock and livestock marketing cash receipts. Hogs in Iowa produced about $2.2 billion in farm cash income. This equals 22 percent of Iowa's total farm cash income. Cattle and calves produced over $2.6 billion in farm cash income, or about 26 percent of Iowa's total. Dairy farmers produced about $507 million in farm cash income, or 5 percent of the State total. In all, these three groups produced 33 percent of Iowa's total cash farm income of over $10 billion.

Agriculture is Iowa's basic industry. Thirty-six percent of our workers depend directly upon agriculture for their jobs; two-thirds of Iowa's workers depend either directly or indirectly on agriculture.

It is clear, from this background of information, that any impact on red meat marketings is going to have a broad effect upon the State of Iowa as a whole. There is no need for me to discuss details of other States, for my colleagues have a good grasp of their constituencies and the economic characteristics of their States. I will conclude, however, by pointing out that in 1982, over 1.6 million farms in the United States included beef cow operations; 484,000 farms included hog operations; and about 324,000 farms included dairy operations.

Now let us address the focal point of this controversy. This new dairy proposal provides a $10-per-hundredweight diversion payment to producers who can establish a net reduction in production of between 5 and 30 percent. The committee report to S. 1529 acknowledges that a price support drop would not in itself bring about enough of an immediate reduction in production to satisfy the budgetary contraints faced by the committee. The report also states that—

> The committee believes that the success of the program * * * depends on producers taking cattle out of production.

The beef cattle industry opposes diversion incentive because it fears that it will result in a substantial increase in beef supplies, depressing already strained beef prices. The National Cattlemen's Association recently estimated that if this dairy diversion programs is implemented, beef output will rise by 1 percent during the last 2 months of 1983 over last year and beef output during the first quarter of 1984 will increase by 2 to 3 percent. The NCA also points out that a 1 percent increase in beef output has historically translated into a 2 percent drop in steer prices. The NCA also points to the inequities of high grain prices, the drought and stressed pastures forcing cattlemen to liquidate their herds, while Congress is suggesting that dairy producers be paid to do the same thing.

The pork industry also opposes this dairy diversion program. The National Pork Producers Council estimates that between 500,000 to 1 million additional dairy cows will go to market the year following the enactment of this legislation. This would result in a $90 million to $180 million loss in net income to pork producers. As with the cattle producer, the pork producer is caught in the severe cost/price squeeze caused by PIK and drought-aggravated high grain prices. Net income losses from the dairy diversion program for the years 1984-87 have been estimated at between $180 million to $360 million.

Iowa ranked second in the Nation in cattle numbers in 1980 and ranked first in hog numbers. A large portion of our feedgrains are utilized by our own livestock farmers; therefore, if livestock producers are hurt, our grain farmers are adversely impacted. And as I pointed out earlier, Iowa's entire economy depends to some degree on agriculture.

Consequently, there is no way that I can stand here today, and do my duty to represent the majority of my constituents of Iowa, and turn my back on our livestock producers. I do not have the luxury of buying the argument that this dairy package should not concern other groups. It does affect other groups—it affects all red meat producers, and in Iowa, that is a lot.

And it affects all farmers, workers, and businesses that rely on the viability of our livestock industry—and that encompasses a lot.

As I said, I do not relish this dilemma. I have prided myself in being able to support most legislation supported by farm sectors in my State. But this time, I am going to have to oppose the diversion plan of the dairy package as it stands. There is no way that anyone can represent the broadest interest of Iowa and support it.

Therefore, I join my colleague from Iowa, in cosponsoring this amendment to mitigate the impact of the dairy diversion program on our Nation's livestock producers. I urge my colleagues to support this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa (Mr. JEPSEN).

The amendment (No. 2296) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2299

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

> The Senator from Ohio (Mr. METZENBAUM) proposes an amendment numbered 2299.

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

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

The amendment is as follows:

On page 53, following line 15, insert the following:

IMPORTED TOBACCO

SEC. 216(a)(1) Notwithstanding any other provision of law, all tobacco offered for importation into the United States shall be—

(A) inspected for grade and quality as tobacco marketed through a warehouse in the United States is inspected for grade and quality; and

(B) accompanied by a written certification by the importer, in such form as the Secretary of Agriculture may prescribe, that none of the pesticides the registration of which has been cancelled or suspended for use on tobacco in the United States under the Federal Insecticide, Fungicide, and Rodenticide Act, has been used in the production of the tobacco offered for importation into the United States.

(2) The Secretary of Agriculture shall establish grade and quality standards for the purposes of paragraph (1)(A) that are, insofar as practicable, the same as those applicable to tobacco marketed through a warehouse in the United States.

(3) Any tobacco that is not accompanied by the certification required by paragraph (1)(B) shall not be permitted entry into the United States. The provisions of section 1001 of title 18, United States Code, shall be applicable with respect to any such certification made by an importer under such paragraph.

(b) The Secretary shall enforce the provisions of subsection (a) at the point of entry of tobacco offered for importation into the United States. The Secretary shall by regulation fix and collect from the importer fees and charges for inspection under subsection (a)(1) which shall, as nearly as practicable, cover the costs of such services, including the administrative and supervisory costs customarily included by the Secretary in user fee calculations. The fees and charges, when collected, shall be credited to the current appropriation account that incurs the cost and shall be available without fiscal year limitation to pay the expenses of the Secretary incident to providing services under subsection (a)(1).

Mr. METZENBAUM. Mr. President, my amendment regarding imported tobacco would do nothing more than prohibit the importation of tobacco into this country of tobacco which contains residues of pesticides and other chemicals whose use has been prohibited for health reasons in the United States. This amendment is designed to protect both the American farmer and the health of the American public. It will give the American farmer an opportunity to compete more fairly with foreign competitors.

In recent years, the amount of foreign tobacco imported into this country has increased dramatically. Currently, close to one-third of the tobacco in American cigarettes is imported. I am concerned about this increase not only because it hurts domestic farmers, but because foreign tobacco is produced using chemicals and fertilizers that are banned from use in this country. For example, tobacco from Thailand is imported into the United States. Yet, we know that Thailand permits the use of DDT, dieldrin, endrin, and paraquat, each of which has been banned in this country for health reasons. Despite our knowledge that pesticides which have been prohibited from use in this country are being used abroad, at the present time we do not monitor or in any way control the importation of tobacco containing residues of these pesticides.

Therefore, I urge you to support this amendment. A virtually identical provision was introduced in the House of Representatives by Congressman CHARLES ROSE of North Carolina earlier this year and was approved unanimously by the full House Agriculture Committee on June 23, 1983. In short, this is that rare provision which benefits both the American farmer and the American public.

Mr. HELMS. Mr. President, I am inclined to accept the amendment and express my appreciation to the distinguished Senator from Ohio. I think he will have a number of tobacco growers in my State and other States singing his praises tonight—they may be singing off tune when you balance off the two amendments, but, seriously, I thank the Senator.

Speaking for this side, I accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio (Mr. METZENBAUM).

The amendment (No. 2299) was agreed to.

Mr. HELMS. I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the distinguished Senator from West Virginia, Mr. JENNINGS RANDOLPH, be added as a cosponsor.

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

AMENDMENT NO. 2300

(Purpose: To provide for emergency feed assistance in natural disaster areas)

Mr. BENTSEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Texas (Mr. BENTSEN), for himself, Mr. TOWER, Mr. BOREN, Mr. BINGAMAN, Mr. DOMENICI, Mr. BUMPERS, Mr. RANDOLPH, Mr. PRYOR, Mr. DIXON, Mr. MELCHER, Mr. JEPSEN, Mr. BURDICK, Mr. GRASSLEY, Mr. NICKLES, and Mr. MATTINGLY, proposes an amendment numbered 2300.

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

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

The amendment is as follows:

At the end of the bill, add the following new title:

TITLE III—EMERGENCY FEED ASSISTANCE

SHORT TITLE

SEC. 301. This title may be cited as the "Emergency Feed Assistance Act of 1983".

SEC. 302. (a) As used in this section—

(1) the term "damaged corn" means corn that is classified as U.S. No. 4, U.S. No. 5, or U.S. Sample grade under section 810.353 of title 7, Code of Federal Regulations; and

(B) the term "eligible farmers and ranchers" means farmers and ranchers who are eligible to receive loans under section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961).

(b) To assist eligible farmers and ranchers in areas that have been adversely affected by the drought, hot weather, or related disaster to preserve and maintain foundation herds of livestock and poultry (including their offspring) and secondary livestock, the Secretary of Agriculture shall make damaged corn held by the Commodity Credit Corporation available to such farmers and ranchers in accordance with section 407 of the Agricultural Act of 1970 (7 U.S.C. 1427).

(c) In making damaged corn available to such farmers and ranchers under this section, the Secretary shall offer the damaged corn held by the Corporation at a price that is equal to 75 percent of the current basic county loan rate for such corn in effect under the Agricultural Act of 1949 (or a comparable price if there is no such current basic county loan rate).

(d) The Secretary shall make damaged corn available for sale, as provided under this section, until September 30, 1984, or the date, as determined by the Secretary, on which any emergency created by the drought, hot weather, or related disaster no longer exists.

(e) Effective for the period beginning on the date of enactment of this Act and ending September 30, 1984, the fifth sentence of Section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427) is amended by inserting "and secondary livestock," after "sheep, and goats, and their offspring,".

Mr. BENTSEN. Mr. President, this amendment which I am offering is a simple one. First, it requires the Secretary of Agriculture to make available to drought-stricken livestock producers emergency feed assistance that should have been provided months ago. Second, it requires him to do this by selling, not giving, them damaged grain that is useless for any purpose except livestock feed and which the taxpayers should not be paying to keep in storage.

Mr. President, let me illustrate the need for this amendment with an example from my home State of Texas. The west Texas ranch country has been hit as hard as any part of this Nation by the drought. The USDA declared 23 of these counties as drought disaster areas this summer. Last January those 23 counties contained about 617,000 cattle and about 652,000 sheep and goats. Range specialists in that area now estimate that 60 to 70 per-

cent of those herds have been liquidated, and more are being sold every day. Some of that country had its last significant rain in August 1982, and with normal weather patterns more rain cannot be expected before July 1984.

These ranchers told me that they desperately needed feed for their livestock. I asked Secretary Block to help them out with livestock feed. Instead, USDA offered them Farmers Home Administration disaster loans. Most ranchers said they had too much debt already, and those who tried to apply for these loans found out that under FmHA's regulations this help was like a mirage on the desert—nonexistent.

Then USDA, under increasing pressure, announced that they were lowering the interest rates on these loans and would make regulatory changes to improve this program for ranchers. These changes have not been made public yet, and perhaps they will help. But most ranchers still tell me they have too much debt. They need something a cow can eat, not another note at the bank.

What looks like a bad situation is actually a tragedy, because help is just around the corner. Less than 200 miles from the center of this drought is a huge mountain of livestock feed—enough to feed every animal in those 23 counties for almost 2 years. This corn, owned by the Commodity Credit Corporation, is costing the American taxpayer over $11 million per year in interest and storage charges. It has been sitting there for 3 years. And it is in such bad condition that it cannot be used for export or for the PIK program. It is suitable only for livestock feed. But USDA will not allow ranchers to use it to keep their herds together.

Mr. President, words cannot express the tragedy, the sheer frustration that these ranchers are facing. They have spent a lifetime developing and tailoring their breeding herds to the demands of this harsh country. Now the worst drought in 30 years has made productive grassland as barren as the marble halls of this Congress, and they must move out, sell out, or starve out.

Why, Mr. President, should the American taxpayer loan money to a rancher and yet deny him the feed he needs to preserve his herd so that he can repay that loan? The combination of the drought and the PIK program have caused feed prices in this area to jump by 25 to 80 percent. Why should the Treasury loan a rancher money to help him, and then spend more money to store cheap feed while requiring this rancher to buy expensive feed? What kind of help is that? What kind of Government policy is that?

I think it is a bad policy and I want to change it.

The Commodity Credit Corporation tells me that they own 83 million bushels of corn that is U.S. No. 4, U.S. No. 5, or U.S. Sample grade. CCC has 21.1 million bushels of that damaged corn stored in Texas, mostly in the Lubbock area. The rest of the damaged grain is stored in 26 other States, with the heaviest concentrations in Iowa, Minnesota, Nebraska, Indiana, Illinois, Kansas, South Dakota, and Missouri. Disaster designations have been requested or made for counties in each of these States, with most of them coming because of the drought.

Mr. President, the loans that come with these disaster designations are small comfort to most livestocks producers. The same drought which made them eligible for these loans has caused the price of feed for their livestock to shoot right through the roof. Even with these loans many livestock producers cannot affort to buy feed at today's high prices in order to keep their herds together.

Mr. President, I think our current situation is ridiculous. This 83 million bushels of damaged grain costs over $48 million per year in interest and storage, while ranchers need livestock feed and they need it at an affordable price.

Mr. President, the Secretary of Agriculture has the authority to provide livestock feed assistance through several programs. The Secretary can make cash payments to farmers and ranchers to assist them in buying feed. However, this would result in additional cash outlays by the Treasury. I think we should look for the cheapest alternative, considering the record budget deficits that we are running.

The Secretary also has the authority to sell Government-owned grain at reduced prices to farmers and ranchers. But much of CCC's inventory of good-quality grain is being used in the PIK program, and much of the rest is needed as an emergency reserve.

Mr. President, I do not think the taxpayers should have to pay for storing damaged grain. We should get rid of it instead of paying to store it. The USDA should use that option to provide help.

Livestock producers are in desperate need of feed. What better use could this damaged grain be put to than to provide emergency feed assistance to livestock producers in drought areas?

Livestock producers are willing to pay for this grain. In addition, they will transport it themselves. The taxpayers will not have to pay any transportation charges.

By selling this damaged grain as emergency livestock feed we can save the taxpayers a considerable amount of money. We can turn a liability into an asset.

Mr. President, this proposal is good business for the American taxpayer and for the American livestock producer. I urge its adoption by the Senate.

Mr. HELMS. Mr. President, I commend the Senator from Texas for offering this amendment. It provides a reasonable approach to meet the needs of our livestock producers who are suffering from the high cost of livestock resulting from this year's drought.

As I understand the amendment, it would simply provide for the sale, at 75 percent of the current support rate, of CCC corn that is graded 4 or 5, or lower. In practical terms, corn that is grade 4 or lower is marketable only as feed. It is also my understanding that the producers purchasing this corn would be responsible for the transportation costs, and the estimated cost to the Government is $64 million.

The concern is the liquidation of herds due to the high cost of feed, and the lack of feed in various areas throughout the country. Costs of feed has skyrocketed primarily due to the PIK program and this year's severe drought.

The purpose of this amendment is to provide relief from the high cost of feed to our livestock producers in order to maintain livestock herds.

The amendment offered by the Senator from Texas offers a realistic approach, to meet the needs of our livestock producers and keeps any additional costs to the Government to a minimum. I urge its adoption.

Mr. DOMENICI. Mr. President, will the Senator from Texas ask that the Senator from New Mexico be added as a cosponsor?

Mr. BENTSEN. I am delighted to do so. I ask unanimous consent that the Senator from New Mexico be added as a cosponsor.

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

Mr. BENTSEN. And the Senator from West Virginia (Mr. RANDOLPH).

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

Mr. HELMS. Mr. President, this is a good amendment. Speaking for our side, we are delighted to accept the amendment.

Mr. HUDDLESTON. Mr. President, we accept the amendment on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas (Mr. BENTSEN).

The amendment (No. 2300) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the Senator from North Dakota (Mr. BURDICK) and the Senator from Wyoming (Mr.

WALLOP) be added as cosponsors to my amendment.

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

Mr. DOLE. Mr. President, I ask unanimous consent to have printed in the RECORD a letter in regard to the amendment just agreed to. I assume the amendment has been accepted, but there are some reservations that ought to be noted in the RECORD, even though it has been adopted.

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

U.S. DEPARTMENT OF AGRICULTURE,
Washington, D.C.

Subject: Problems Associated with Loading Out Low Grade Corn.

To: Deputy Assistant Secretary for International Affairs and Commodity Programs.

Under the Uniform Grain Storage Agreement (UGSA), approved warehouses are allowed to commingle different grades of corn for storage purposes. This is due to the impracticality and cost associated with requiring storage segregated by grade.

Warehousemen attempt to upgrade the grain when it is received and commingled. Therefore, it may be impractical to expect the warehousemen to deliver a quantity of a specified low grade at any one time, and, in many cases, it may be impossible for the warehousemen to do so.

Discounts are required for corn loaded out which is a lower grade than called for on the warehouse receipt. Under the UGSA, CCC would be required to pay premiums to the warehouseman for corn loaded out at higher grades from country warehouses, but no premium applies for higher grade corn from terminal warehouses. One-third of CCC's inventory of low grade corn is located in country warehouses, and we would expect to pay premiums on a substantial portion of this corn.

CCC holds more than 83 million bushels of #4 or lower grade corn. The vast majority is located in three States: Texas—21 million bushels; Iowa—17 million bushels; and Minnesota—16 million bushels. Many States where the drought was severest have little, if any, low grade CCC corn in storage. Consequently, large scale transportation may be involved in furnishing CCC low grade corn to drought stricken areas which in many cases are already grain deficit. A major cost could be incurred in this transportation with rates approaching as high as $3.50 per bushel from surplus to deficit areas, and averaging more than $1.50 per bushel. CCC would not be able to avail itself of lower rates usually associated with unit trains or rail contract rates, due to the expected small lots needed and the widespread distribution necessary. CCC would also be required to use trucks for moving a substantial amount of the corn which will result in CCC paying higher transportation costs.

ROBERT H. SINDT,
Assistant Deputy Administrator,
Commodity Operations.

AMENDMENT NO. 2301

(Purpose: To exempt noncontiguous areas of the United States from the dairy promotion program)

Mr. MATSUNAGA. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Hawaii (Mr. MATSUNAGA), for himself, Mr. INOUYE, Mr. STEVENS, and Mr. MURKOWSKI, proposes an amendment numbered 2301.

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

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

The amendment is as follows:

On page 22, strike out lines 16 through 19 and insert in lieu thereof the following: "(1) the term 'United States' means the forty-eight contiguous states in the continental United States."

Mr. MATSUNAGA. Mr. President, the amendment which I am offering for myself, Mr. INOUYE, Mr. STEVENS, and Mr. MURKOWSKI, is somewhat technical in nature. It is intended to correct an inadvertent omission on the part of the committee which I will not explain.

Mr. President, it is important at the outset to recognize the fact that historically, the noncontiguous areas have not been affected by the milk price support program for a number of reasons which I will shortly describe. As a result, the Department of Agriculture and the Congress has always treated the noncontiguous areas differently with respect to milk production. When the 50-cent per hundredweight assessment was applied to all areas of the country including Hawaii, Alaska, and all the insular areas, that decision was made without the benefit of the knowledge that these areas have long been treated differently by specific provisions in the law. I am hopeful that my amendment can be accepted to correct the problem that was created by the reconciliation measure.

Mr. President, the 50-cent-per-hundredweight assessment is now being applied to Alaska and all the U.S. insular areas—Hawaii, Puerto Rico, the Virgin Islands, Guam, and American Samoa—which in each case have relatively small, separate, and self-contained dairy markets which are not part of the national dairy market.

In the case of Hawaii and Puerto Rico, the dairy markets in these insular areas are wholly separate and distinct and bear no relationship to the U.S. mainland milk market. Cost of production in Hawaii and Puerto Rico are considerably higher than those of any mainland States. Hawaii's cost of production last year was $21.06 per hundredweight compared to the Federal price support figure of $13.01 per hundredweight. This means that in Hawaii, the cost of milk production is 60 percent higher than the rate of the Federal price support.

Puerto Rico is in an even worse situation than Hawaii in terms of the cost of milk production. It is my understanding that Puerto Rico's cost of production last year reached $23.27 per hundredweight, again compared to the $13.00 Federal price support figure. I believe this works out to about an 80-percent difference in the cost of production for Puerto Rico.

It should be recognized, Mr. President, that this translates into high costs for milk consumers in the insular areas. In Hawaii, for example, consumers are paying an average of 98 cents per quart while their counterparts of the mainland are paying on the average of only 60 cents per quart of milk. This fact alone should make case for the exemption of the insular areas from the assessment program.

The fact of the matter is, Mr. President, the Federal dairy program has not, over the years, been able to have any effect on the dairy markets of Hawaii, Alaska, Puerto Rico, and the other insular areas. It is important to note that because of the inability of the Federal milk program to have any impact on island production of milk, the governments of both Hawaii and Puerto Rico enacted strict controls over island dairy industries. The Hawaii Milk Control Act, for instance, provides for a quota system based on consumer demand and is set at a level that prevents virtually any surplus production. The result of the Hawaii Milk Control Act is that supply and demand are in balance in the Aloha State, and Hawaii contributes no surplus milk to the national market.

Furthermore, our dairy industry produces only fresh milk. We have no facilities to process milk for cheese, butter, or nonfat dry milk, the forms in which excess production can be stored. In view of these circumstances—and I believe they apply to the other insular areas as well—we cannot possibly contribute to the dairy production surplus problem that we face nationally.

In recognition of these differences between the 48 contiguous States and the noncontiguous areas of the United States, the committee judiciously excluded Hawaii, Alaska, and other noncontiguous areas from coverage under subtitle A, title I, of S. 1529. The committee, however, inadvertently omitted the exclusion from subtitle B of the bill, pertaining to the establishment of a dairy promotion program.

Mr. President, the U.S. insular areas, Alaska and Hawaii should be exempted from the dairy promotion program and its assessment of 15 cents per hundredweight of milk, for the simple reason that they do not produce any surplus dairy products and do not need any dairy promotion program conducted by the Federal Government. The amendment, which I am offering with the cosponsorship of all Senators representing the noncontiguous States, will do just that.

Mr. President, on behalf of my colleagues from Hawaii and Alaska and the congressional Representatives of Puerto Rico and the U.S. territories, I urge the adoption of my amendment.

Mr. HUDDLESTON. Mr. President, if the Senator will yield, the Senator and his State do us all a great favor by not creating a surplus for the other 48 States, the contiguous 48 States. Out there, they produce exactly what they sell. They have not piled up the big surplus that we have. We are delighted to accept the amendment.

Mr. HELMS. We accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Hawaii (Mr. MATSUNAGA).

The amendment (No. 2301) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2302

(Purpose: To exempt producer-handlers from the milk assessment and diversion programs)

Mr. RUDMAN. Mr. President, on behalf of the senior Senator from New Hampshire (Mr. HUMPHREY), I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The Senator from New Hampshire (Mr. RUDMAN), on behalf of Mr. HUMPHREY, proposes an amendment numbered 2302.

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

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

The amendment is as follows:

On page 4, line 11, insert after the period the following new sentence: "This paragraph does not apply to any of the milk produced by a producer who produces any quantity of milk, processes such quantity into consumer packages, and markets such packages.".

On page 6, line 2, insert after the period the following new sentence: "This paragraph does not apply to a producer who produces any quantity of milk, processes such quantity into consumer packages, and markets such packages.".

Mr. RUDMAN. Mr. President, first, I ask unanimous consent that I be added as a cosponsor and that the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Rhode Island (Mr. CHAFEE) be added as cosponsors.

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

Mr. RUDMAN. Mr. President, I am offering this amendment as a courtesy to my senior colleague (Mr. HUMPHREY) who, due to a very serious illness in his family, had to leave the city this morning and will not be back before the recess. Thus, Mr. President, I would like to now read into the RECORD a statement offered by Mr. HUMPHREY.

Mr. HUMPHREY. Mr. President, the amendment I am introducing today would exempt producer-handlers from the 50-cent assessment used to finance the proposed paid diversion program. For those who are not familiar with this term, producer-handlers are dairy farmers who produce, process, and market their own product.

In an attempt to induce dairy farmers to reduce production, S. 1529 establishes a paid diversion program that compensates farmers $10 for every hundredweight of production they do not produce. This program would be financed by a uniform 50-cent assessment on all milk products. While I applaud efforts to reduce this country's huge dairy surplus, I must, however, question the equity in requiring producer-handlers, who do not contribute to the surplus, to finance the paid diversion program.

Mr. President, of the approximately 250,000 dairy farmers in the United States, less than 500 are producer-handlers. It is estimated that they produce less than 1-percent of the dairy supply. Because their local market is an established one, most producer-handlers produce at a level that would simply meet this demand. It would, therefore, seem unfair to impose a uniform dairy assessment on all dairy producers since not all dairy farmers are to blame for the current surplus.

In addition, producer-handlers offer competition to the monied corporations that have come to dominate milk retailing. Their preservation is important to protect the consumer and public interest.

In summary, Mr. President, this amendment would exempt producer-handlers from the 50-cent assessment as well as participation in the paid diversion program. Such an exemption would seem fair since it is apparent that producer-handlers are not contributing to this country's huge dairy surplus. I urge my colleagues to join me in support of this amendment.

Mr. President, in my own right, let me simply add this: I have looked at the legislation that is now before the Senate and I must say to the distinguished chairman of the Agriculture Committee I have some serious reservations in my own mind as to whether or not, if this bill goes through in its present form, the tax, if you will, or the service charge, or whatever you wish to call it, on people who in no way are connected with the problem this is intended to correct, is a constitutional levy at all. I would hope that we might avoid further legal wrangling over this by either accepting this amendment or something that was close to it.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I ask that I be made a cosponsor.

Mr. RUDMAN. I ask unanimous consent that Senator D'AMATO be added as a cosponsor.

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

The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I will oppose this amendment on the basis that these producer-handlers are small in number in relation to the whole, yet very many dairy farmers around the country maintain that since they do not contribute to the surplus they should be exempted. I know that my friend from Florida feels that her farmers do not contribute to the problem. In our State, they say that the average number of cows in a herd is only 34 and it is the larger farmers who have created the surplus.

While I have sympathy with the Senator from New Hampshire and the Senator from Rhode Island, and Senator HUMPHREY who, due to sickness in his family, is unable to be here today, nevertheless, if we are to exempt from the provisions of the bill those who feel they do not create the surplus, nobody would be included.

It is the same in any taxing situation. Some people wish that the money they pay to the Government should not go to certain causes because they simply do not believe in them, or that their actions have in no way caused the necessity for the spending, be it money for a social program or any other part of the budget.

While I have deep admiration for both Senators from New Hampshire, I will have to oppose this amendment. I would hope it would be withdrawn.

THE PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I join the Senators from New Hampshire in support of this amendment. It seems to me that with a producer-handler the typical situation is a farmer who producers the milk on his farm and then has an outlet set up on his farm for the retail sale of the milk. This is the essence of the small businessman. I find if he has to contribute to this diversionary fund it is just plain not fair.

I think the Senator from New Hampshire has made a good point. It is easy to establish who they are. As was pointed out, they are a tiny portion of the total, 500 out of 250,000 milk producers producing less than 1 percent of the milk. I think to burden them with this extra charge for something they are not at all responsible for is unfair. I think the Senator from New Hampshire has a good point.

THE PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, should the apple farmer who sells apples at a stand on his farm therefore not pay taxes for the roadway which might otherwise be used to take

them to market? The examples could go on and on.

As I pointed out to my friend from New England, there are milk marketing orders that grant to people in New England higher prices for dairy products than producers in the Midwest, or in Minnesota, for their dairy products.

We have not suggested that those farmers should be compromised at this time, so we would hope that other elements not be compromised.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I very reluctantly find myself in opposition to this particular amendment. I can certainly understand where the supporters of the amendment are coming from. However, we are dealing here with a national dairy program.

It is not exactly accurate to say that those who are outside the program and are producing just a small portion of the total milk production, are not contributing to the problem, because they are, of course, contributing to the problem of surplus dairy supply. They are producing dairy products that are used in this country and, as such, make a contribution to the surplus that we are trying to deal with.

If we keep exempting certain areas or certain groups, it occurs to me that we are going to have more and more dairy producers joining those groups, and more and more outside the program, with less and less opportunity to bring the surplus under control. This will make it extremely difficult to get to a supply and demand equivalence that we all know is highly desirable. I fear for what this could lead to. I feel that we should protect the program that has been developed by not opening up loopholes that might very well have a devastating effect on the particular program that we are working with.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, the distinguished Senator from Kentucky has illustrated the split stick on which those of us who try to manage legislation find ourselves.

The truth of the matter is that I wish there were some way we could take the amendment. I agree with what the Senator from New Hampshire is saying, but what he will do with this amendment is destroy—if not destroy, mortally wound—a fragile coalition that we have. He will open a loophole.

Let me say this to the Senator from New Hampshire: We have been thinking about this ourselves. It will be my purpose to try to work out some legislation, freestanding legislation, upon which we can have some hearings and get some expert advice, because what he is proposing is right. Nobody can argue with it. But every manager of every bill that has ever been before the Senate has said, "That is a good idea, but do not put it on this bill." I find myself in that position.

I will say to the Senator that many of us who have farmers who have not been producing for the Government do not like the idea of a continuing 50 cent assessment. That may be the greatest understatement I have uttered in 2 weeks. They are hot about that thing in North Carolina. And I do not blame them.

However, in the light of the special circumstances which I have discussed too many times, I fear, on this floor this afternoon, I hope the Senator will let us, in good faith, set up some hearings of freestanding legislation.

I understand that producer-handlers make up a very small, infinitesimal segment of the industry. There are, as I understand, about 500 producer-handlers in America. They are responsible for about 1 percent of the Nation's milk production. In support of this amendment, it has been said that producer-handlers are not responsible for the current surplus, that they produce mostly to fill the needs of their local markets and sell little, if anything, to the Commodity Credit Corporation. However, this is the same argument that can be made by the producers in all of the deficit regions.

Frankly, I say to my friend from New Hampshire, I do not know how I could handle all of the complaints and demands that are bound to come in as a result of this amendment. It would virtually destroy the paid diversion program provided for in the compromise. So if the Senator would be willing, let us agree that we will work with him and with Senator HUMPHREY and develop some freestanding legislation, have hearings on it, and get it reported out to the floor and I shall urge the majority leader to hasten it. That is about the best I can do.

I do not want to be in the position of opposing the Senator, because I respect him too much and, as I said at the outset, I agree with his amendment. I just find myself in a ticklish position.

Mr. RUDMAN. Mr. President, I thank the distinguished chairman of the committee. I shall be very brief, because I know that most of our colleagues are more interested tonight in the pursuits of Abner Doubleday than in milk.

Let me say to the chairman that I have heard him speak of this fragile coalition all afternoon. I hope that if this bill somehow miraculously is passed tomorrow, the chairman and the ranking member will handle it very carefully as they walk it over to the House, because this coalition must be so fragile that a light breath of wind might shatter it completely.

I have said to my senior colleague from New Hampshire that I would follow his wishes, and I really am bound, as the chairman, I am sure, can understand, to ask for the yeas and nays on this. This is Senator HUMPHREY's amendment. He asked for it. He is unavoidably out of town because of very serious illness in his family. So I shall now ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. RUDMAN. Mr. President, I shall simply conclude by saying this to my good friend from Minnesota, who was on the floor just a moment ago: I think it is ironic in many ways, although I understand the distinguished Senator from North Carolina, that here, on the floor of the U.S. Senate, an amendment is offered by those who are saying, "Hey, wait a minute, I believe in the free enterprise system. I am a little farmer in Dover, N.H., I have 35 cows. My wife and my kids and I milk them every morning. We have a nice processing plant that we borrowed money for and we have lived frugally. We process high-quality milk, we put it in our little truck, and we take it down to the local restaurants, we take it down to the local stores, and we sell our entire production. We are not interested in national milk programs. We are not interested in some socialist form of farming. We just want to be left alone. That is all we are asking. We are simply asking to be left alone."

I hope somebody might support this particular amendment.

Mr. D'AMATO. Mr. President, I am going to talk to the issue of the total bill, the so-called compromise that was crafted. We are really saying we are going to choose from two kinds of death for the small farmer. We are either going to pick a death by hanging or a death by drowning. But we are not going to address the root cause of the problem. We are going to take people out of production, not because they are less efficient or effective. We are giving a bonanza to farmers who, perhaps, should not be in business. We are now going to pay them $10 for not producing. Let me suggest that that is going to take place.

Those of us in the Northeast, and I am now getting somewhat parochial, whose farmers have been producing dairy products or class 1 fluid milk, who have been selling 90 percent plus of that to the consumer—those farmers are not fools. They are going to start taking their herds out of production. And let me tell you what is going to happen.

The consumer is going to pay; the prices are going to go up. And the deficits are going to go up. Because we are going to be paying for this 15 months from now. We are not going to be in any better position.

I offered a bill today and I may still bring forth an amendment to deal with this. I for one do not see why fluid milk should be part of this situation, why we should penalize those people who produce it. If you want to produce dry products and sell it to the Government, let us cut that support and stop this proposal to pay people not to produce. We went into the great PIK program which went from $14 billion to $24 billion. That is what it costs the Government.

I think my colleagues from New Hampshire, at least, are going to address some of the shortcomings that everybody in this Chamber should begin to see. I do not see why those who are producing and selling to the private sector should be penalized. That is what this legislation does. It is just downright wrong.

You can talk about the fragile coalition coming together, particularly those people who speak about the free enterprise system. We will do great violence to that system if this is the manner in which we continue to proceed.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Hampshire.

The Senator from North Carolina.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

The Senate will be in order.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I have done this more than once today on a bill that I certainly am not expert on but I am advised by the managers of the bill that they would support a motion to table on this amendment. Mr. President, if no other Senator now wishes to speak, and I see none arising, I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BAKER (after having voted in the affirmative). Madam President, on this vote I have a live pair with the distinguished Senator from New Hampshire (Mr. HUMPHREY). If he were present and voting, he would vote "nay." I have voted "aye." I withdraw my vote.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from Pennsylvania (Mr. HEINZ), the Senator from New Hampshire (Mr. HUMPHREY), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

Mr. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), the Senator from Colorado (Mr. HART), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

The PRESIDING OFFICER (Mrs. HAWKINS). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 44, nays 40, as follows:

[Rollcall Vote No. 286 Leg.]

YEAS—44

Abdnor	Ford	Pressler
Andrews	Grassley	Proxmire
Bingaman	Helms	Pryor
Boschwitz	Huddleston	Randolph
Bumpers	Jepsen	Riegle
Burdick	Kasten	Sarbanes
Chiles	Leahy	Sasser
Cochran	Long	Simpson
Danforth	Lugar	Specter
Dixon	Matsunaga	Stafford
Dole	Mattingly	Stennis
Durenberger	McClure	Stevens
Eagleton	Melcher	Wallop
East	Nunn	Zorinsky
Exon	Percy	

NAYS—40

Baucus	Gorton	Pell
Biden	Hatch	Quayle
Boren	Hawkins	Roth
Bradley	Hecht	Rudman
Byrd	Heflin	Symms
Chafee	Kassebaum	Thurmond
Cohen	Lautenberg	Tower
D'Amato	Laxalt	Trible
DeConcini	Levin	Tsongas
Denton	Metzenbaum	Warner
Dodd	Mitchell	Weicker
Domenici	Murkowski	Wilson
Evans	Nickles	
Garn	Packwood	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Baker, for.

NOT VOTING—15

Armstrong	Hart	Inouye
Bentsen	Hatfield	Johnston
Cranston	Heinz	Kennedy
Glenn	Hollings	Mathias
Goldwater	Humphrey	Moynihan

So the motion to table Mr. RUDMAN's amendment (No. 2302) was agreed to.

Mr. HELMS. Madam President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mrs. HAWKINS). The majority leader.

Mr. BAKER. Madam President, may we have order in the Senate, please?

Mr. RANDOLPH. Madam President, I think we ought to have order in the Senate. I think it is important that we honor that request.

The PRESIDING OFFICER. There will be order in the Senate.

Mr. BAKER. I thank the Chair.

Madam President, may I say that I announced earlier today we would go until about 6:30 tonight, and it is just about 6:30 p.m.

May I inquire of the distinguished managers—and I think I already know the answer—is it possible to finish this bill in the next few minutes?

Mr. HELMS. Madam President, if the Senator will yield, I think it may be. There have been some remarkable developments. However, we move along so fast that I do not want to tax the patience of Senators.

As I understand it, we have one more amendment on which Senator BOSCHWITZ and Senator HAWKINS have worked; we have the Baucus amendment, which will require a rollcall vote.

Mr. HUDDLESTON. Senator NUNN has one which will be accepted.

Mr. BAKER. Let me say this to my friend from North Carolina and my friend from Kentucky: I understand the desire to finish this bill, and I share that desire. However, I wish to announce that there will be no more record votes tonight. I am perfectly willing for the managers to go forward with matters they can dispose of without record votes, and I would encourage them to do so. Before I do that I would like to set the agenda for tomorrow. The minority leader is on the floor. I have not had an opportunity to consult with him, but let me now make these announcements and suggestions.

ORDERS FOR FRIDAY

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BAKER. First of all, Madam President, I wish to announce that we will be in session tomorrow. I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:30 a.m. tomorrow.

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

ORDER FOR PERIOD FOR ROUTINE MORNING BUSINESS ON TOMORROW

Mr. BAKER. Madam President, I ask unanimous consent that after the recognition of the two leaders under the standing order tomorrow that the time remaining before 10 a.m. be devoted to the transaction of routine morning business in which Senators may speak for 1 minute each.

ORDER FOR RESUMPTION OF PENDING BUSINESS ON TOMORROW

Madam President, I ask unanimous consent that at 10 a.m. the Senate resume consideration of the pending business.

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

Mr. BAKER. Now, Madam President, at 10 a.m. we will be back on this bill, and it will be up to the managers to determine what the pending question will be when we return. But I will tell Senators there will be votes tomorrow, and I say that in the plural. I fully expect more than one vote tomorrow.

It is my hope we can finish the matters at hand which are the completion of this bill, and the unemployment compensation extension matter if we do not do that tonight, and whatever else may be brought up, including the Executive Calendar, and there may be one item on the Executive Calendar which will require a rollcall vote.

So Senators should be on notice that there will be votes tomorrow. I hope we can finish our business between 10 a.m. in the morning and 2 p.m. in the afternoon.

Madam President, I thank all Senators.

DAIRY AND TOBACCO ADJUSTMENT ACT OF 1983

The Senate continued with the consideration of the bill.

Mr. HELMS. Madam President, I suggest the absence of a quorum.

Mr. NUNN. Madam President, who has the floor?

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. I would be glad to yield, but I want to ask the Senator a question. I do not want to interrupt the Senator from North Carolina.

Mr. HELMS. I want the quorum call so that I can talk to the Senator.

Mr. BYRD. The Senator does not have the floor and he cannot ask for a quorum call. This Senator has the floor.

Mr. NUNN. I yield to the Senator or I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 2303

Mr. NUNN. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Georgia (Mr. NUNN), for himself and Mr. MATTINGLY, proposes an amendment numbered 2303.

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

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

The amendment is as follows:

On page 41, line 2, strike out "subsection" and insert in lieu thereof "subsections".

On page 43, line 11, strike out the quotation marks and the second period.

On page 43, lines 11 and 12, insert the following: "(g) Notwithstanding the provisions of subsection (d) and section 403, the Secretary, if requested by the board of directors of the association through which price support for Flue-cured tobacco is made available to producers, may (1) designate for any crop certain grades of Flue-cured tobacco that are eligible for price support (but representing in the aggregate not more than 25 percentum of the total quantity of the Flue-cured tobacco crop that the Secretary estimates will be produced) that the Secretary determines are of such quantity or quality as to impair their marketability, and (2) without regard to the weighted average of the support rates for eligible grades of Flue-cured tobacco determined under the proviso to the first sentence of subsection (d), further reduce the support rates for such grades to the extent the Secretary deems necessary to reflect their market value, but in no event by more than 12 percentum of the respective support rates that would otherwise be established under this section.".

Mr. NUNN. Madam President, for the information of the Senator from Kentucky and the Senator from North Carolina, the amendment is as you see it except on page 2 of the amendment I have scratched through the 15 percent and substituted in lieu thereof 12 percent.

Madam President, I would like to commend my colleagues, the chairman of the Agriculture Committee, Mr. HELMS, and the ranking minority member, Mr. HUDDLESTON, for their work on this bill. Last year the Senate passed the No Net Cost Tobacco Program Act of 1982 which made great strides toward bringing the tobacco program back to the tobacco growers. This bill takes further steps in that direction.

I feel, however, that significant improvements can be made to this bill by the adoption of some minor adjustments. I send to the desk, Madam President, an amendment to provide the Secretary of Agriculture additional flexibility to reduce the price support on certain grades of Flue-cured tobacco.

Under current law, the Secretary may adjust the price support of certain grades of tobacco up or down, but must maintain a weighted average price. Such adjustments are made to assist in the marketing of grades affected by extremes in quantity or quality. However, by being required to maintain an average price over all grades, the Secretary, when he lowers the price support for certain grades, must raise the price support for other grades. This situation has the potential of hurting the market for grades which have undergone the support price increase.

My amendment, Madam President, allows for the Secretary to adjust certain grades of Flue-cured tobacco that are eligible for price support and that the Secretary has determined are of such a quantity or quality as to impair marketability. These grades, however, cannot represent in the aggregate more than 25 percent of the total quantity of the Flue-cured crop that the Secretary estimates will be produced.

The Secretary may further reduce the support rates for such grades without regard to the weighted average in an effort to reflect the market value of the crop, but in no way by more than 12 percent of the respective support rates.

Furthermore, before the Secretary can make such adjustments, a request to the Secretary by the board of directors of the association through which price support for Flue-cured tobacco is made available to producers, must be made for such a designation.

Madam President, it is my understanding that the Senator from North Carolina and the Senator from Kentucky have reviewed the amendment. I hope it will be acceptable.

Madam President, I also want to call to the attention of my colleagues that Senator MATTINGLY is a cosponsor of this amendment.

Mr. HELMS. Madam President, there remains some concern that the adjustments made in the tobacco price support loan rate in the 1982 No Net Cost Tobacco Program Act and the freeze of those rates for 1983 and 1984, and possibly for 1985, contained in Public Law 98-59 and S. 1529, are not yet sufficient to make U.S. tobacco competitively priced with tobacco from other countries.

Now, I happen not to share that view. The compounding effect of the 1982 adjustment at 65 percent of the regular formula is substantial. Indeed, with the freeze for 1983 and 1984, and possibly 1985, if inflation under 5 percent is factored into the equation, the adjustments are large and enough to make U.S. tobacco prices competitive. This is especially so because U.S. tobacco will always bring a premium price because of the stability of our production and the natural competitive advantages we have in tobacco production.

Also, we cannot forget that the sum of 750 million pounds of old crop tobacco remain under CCC loan. This tobacco is worth about $1.2 billion. We cannot simply move to undercut its value by too much price cutting. It is just not good business.

However, having said all that, Madam President, I do recognize the sentiment to give additional flexibility to the pricing system for tobacco. Because there are so many factors to consider, I am willing to accept the amendment of the distinguished Senator from Georgia and we will iron out the details in conference, if that is satisfactory.

Mr. NUNN. I thank the Senator from North Carolina.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia (Mr. NUNN).

The amendment (No. 2303) was agreed to.

Mr. HELMS. Madam President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. NUNN. Madam President, I thank the Senator from North Carolina.

Mr. HELMS. I thank the Senator from Georgia.

AMENDMENT NO. 2304

Mr. DOMENICI. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes an amendment numbered 2304.

At the appropriate place insert the following new language:

The Secretary shall establish a marketing order for pecans dealing with promotional activities.

Mr. DOMENICI. Madam President, I shall take only a few moments on this issue. I had the clerk read it because I cannot do any better job explaining it than did the simple sentence that he read.

If this became law, it would mean that the Secretary, who has some discretion in this matter of a marketing order for promotional activities in the area of pecan sales and promotion, this amendment would take that away and mandate it.

I introduce this with the full knowledge that the unanimous consent under which we are operating here today was probably intended to preclude it, but it does not. I am not going to make the Senate consider it, because I think the spirit of the unanimous consent that we are operating under did not have in mind that we have any amendments to deal with pecans. People do not even know we grow them in New Mexico, but we do. In fact, we have the finest pecan farms in all America in New Mexico, probably the second largest of anywhere in America.

Before I get all the southerners excited here, I want them to understand that I am not going to make you vote on this, but I want to make a point.

I cannot believe that the Secretary of Agriculture and certain Senators truly want to deny those who grow pecans in the United States an opportunity to exercise democracy by taking a vote on whether or not they want to collect a few little pennies from each sale in order to promote the sale of pecans. The findings in this decision which is pending are really incredible. If they conclude we are not going to have one, it is because somebody does not like them, not because the facts do not clearly indicate we ought to.

The purpose of these marketing orders, which are clearly in the law, is that if there is going to be a surplus of a commodity, you ought to promote it if there is evidence that you can sell more, but you are not able to promote it. That is a fact.

Everybody is getting into the act of growing these and they are fantastic nuts. But we do not have enough demand yet. So what these people, including the distinguished Secretary of Agriculture, want to do, they want to wait 3 or 4 years until there are so many around that everybody is going to go broke before they decide to promote them and, if they did, they would sell like hotcakes. Now we have got both nuts and hotcakes involved here today.

But, in any event, let me tell you that I really cannot believe that there are people around who do not want to let the growers of pecans vote on whether or not they ought to have a marketing order to promote the sale of pecans where the evidence is overwhelming that there is going to be a surplus, that a marketing order would engender significant new demand, and yet there are those around saying, "Don't do it." I wonder why. I really think it is because they are fearful of the product or they are fearful that it will go beyond marketing.

Well, that is not what the law says. We are not attempting to establish quality preference. Actually, if we did, we would win because the kind we grow are the best. There is no question about that. But, in any event, that is not what anybody seeks.

So, having made my point, I would like the Secretary of Agriculture to know, and my good friends in the Senate to know, that if we do not get a marketing order there will not be another agriculture bill that comes to the floor without this Senator offering an amendment mandating it. I think by the time this U.S. Senate hears the facts they will mandate rather than leave it to the discretion of the Secretary.

I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

ORDER OF PROCEDURE

Mr. BAKER. Madam President, I will not take but a moment. I apologize to my friend from Alabama and the Senator from South Carolina, my friend, the President pro tempore.

I have consulted with the minority leader and I hope within a few moments we will be able to clear for action a limited extension of the unemployment benefits bill. If that does come through the clearance process live in the next few moments, I hope whoever has the floor will let us ask him to yield temporarily so we can pass that bill because the House of Representatives is now in recess subject to the call of the Chair awaiting this action by the Senate.

I thank Senators for permitting me to make this statement. I hope they will take that into account.

Mr. STENNIS. If the Senator will yield, does that contemplate a rollcall vote?

Mr. BAKER. No, it does not.

Mr. THURMOND. Madam President, I have to leave very shortly. May I speak for a half minute?

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Madam President, with regard to the point made by the distinguished Senator from New Mexico, I do not think we ought to be trying to inject the Federal Government into new farm programs. That is the very trouble we are in today. If we inject the Federal Government into the pecan business, then 20 years from now we are going to be here fighting over that. There will be all kinds of amendments.

Let us keep the Federal Government out of everything we can so long as it is doing all right. Private enterprise can set this matter up. The growers of these pecans can set this matter up. We do not need to inject the Federal Government into it.

AMENDMENT NO. 2305

(Purpose: To require the Secretary of Agriculture to review, revise, and report to the Congress on federal milk marketing orders)

Mr. HEFLIN. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. HEFLIN) proposes an amendment numbered 2305.

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

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

The amendment is as follows:

On page 19, line 11, insert "(a)" after "Sec. 103.".

On page 19, between lines 18 and 19, insert the following new subsection:

(b) Not later than 6 months after the date of the enactment of this Act, the Secretary of Agriculture shall—

(1) review in light of current economic conditions all regulations governing, and provisions of, milk marketing orders issued under section 8c of the Agricultural Adjustment Act, as amended and reenacted by the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 608c), that have not been reviewed by the Secretary at any time during the ten year period preceding the date of the enactment of this Act;

(2) take such actions as the Secretary determines are necessary to revise such regulations and provisions in light of such review; and

(3) submit a report on such review and actions to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

Mr. HEFLIN. I do not believe this will cause great controversy. It is not an amendment of great or significant dimensions. However, it is important.

There are certain studies, hearings and determinations dealing with marketing orders that should be reviewed in light of current economic conditions. My amendment would place on the Secretary of Agriculture the burden of having these studies, hearings and determinations on any type of marketing order under the milk provisions that has not been reviewed by the Secretary at any time during a 10-year period preceding the date of enactment of this bill.

Then, of course, after he reviews this and has the hearings, he is to take such action as the Secretary determines is necessary to revise such regulations and provisions in light of such review.

Madam President, the amendment that I offer is simple and addresses a condition in the dairy industry which has existed for years but which has only recently become a problem of significant dimensions. Section 8c of the Agricultural Marketing Act of 1937, U.S.C. 608c, as amended, provides that provisions of the milk marketing orders may be reviewed and revised by the Secretary of Agriculture. It also prescribes methods for carrying out hearings and making revisions in the various dairy marketing orders.

Under those provisions, dairy producers operating within the marketing orders may request hearings to amend the order to adjust for changes in supply and the economics of the production and distribution within the order. However, there is no provision which would require such hearings, and make needed adjustments in rules or regulations in all orders simultaneously.

The purpose of my amendment is to require such hearings by the Secretary. It would also require needed adjustments in the rules by the Secretary as determined by the hearings and would require that a report be made to the Agriculture Committee of both Chambers of the Congress by the Secretary.

In essence, Madam President, this amendment changes nothing which is not already implicit in the law. It is important to all dairy producers, however, that the various marketing orders now in existence be reviewed simultaneously to avoid any inequities which might logically result from any hearings on individual marketing orders on a piecemeal or random basis. In other words, the economics of the industry, particularly supply and demand conditions, must be viewed as a single entity if the program is to work fairly and equitably for all producers. I believe that is what we are seeking in the bill before us.

I am fully aware of the immense Government purchases of dairy products and the cost of these purchases to the Federal Government and our taxpayers. I know that we have large stocks of these dairy products and that both the stocks and milk production are increasing. And, I am very conscious of the fact that we must do something to bring about a correction of this problem. We must adopt a program that moves toward bringing about a better balance of our national milk supplies and demand. However, I am also concerned that any action we take to correct the problem does not at the same time create other unnecessary problems. And, I am afraid that the proposal presented to us now might just do that. This dairy proposal approaches the problem as if surpluses were equally developed in all parts of the country and for all uses of milk. But this assumption of equality is far from actuality. The dairy industry varies markedly in different parts of our country. In some sections milk is produced mainly for the local fluid or bottled milk market. In other parts of the country milk is produced principally for manufactured dairy products to be used throughout the country and at present for sale to the Government.

Milk is not easily transported from one section of the country to other sections that are in short supply. Milk is bulky and perishable. It is expensive to transport and that expense has been and is still increasing with the increase in the cost of fuel and equipment such as over the road tankers. When milk has to be transported, the price to consumers is increased and the dairy farmer gets no benefit from those higher prices. In some parts of the country such movements of milk are even now taking place. I am afraid that the proposal before us now will invite even more unnecessary transportation of milk over long distances.

In my own State of Alabama, we have been attempting over the years to coordinate our milk supply closely to our local demand for fluid milk without any burdensome surplus. We have had at times to bring in milk from other areas at great expense. But these instances have been rare and occasioned by some weather disaster. This same kind of a dairy development has taken place in other parts of the country. We have been helped in our efforts by the operation of Federal milk orders. The Federal orders are set up as orderly systems of milk marketing in separate marketing areas of the country. They are voted in and out by dairy farmers and are much respected and appreciated by them. The minimum prices which each order sets for milk dealers to pay farmers are geared to the supply and demand conditions in each area where they are in operation. As I mentioned earlier, we have coordinated our milk production in Alabama to our fluid milk market in Alabama and under the milk order program, we have a steady, orderly, and efficient dairy industry. We have been able to do this as a natural economic response to the prices set up in the Federal milk order and we could expect that this stability and orderliness would continue if market prices continued to reflect economic changes. But we are introducing a new factor in this proposal that of a payment for not producing milk. The experience in the PIK program has shown that the reaction of farmers to such a program can exceed the expectations of everyone including the Secretary of Agriculture. And if we do get that response among dairy farmers to the $10 per hundredweight payment for nonproducing, I am afraid that this delicate balance we have achieved between supply and demand for milk in Alabama will be destroyed. We cannot stand a lower milk supply in Alabama without importing milk from other areas at great expense. New and more expensive sources of supply will have to be developed. Then when the diversion payment program is terminated, Alabama would be without the local supplies and would then have to be again developed with great disruption to this industry.

It appears to me that we need to maintain these local supplies. I am not in any way suggesting that they be maintained at unreasonable price levels. But, local farmers ought to receive at least the same price for their milk for fluid use as milk dealers are paying for alternative milk supplies brought into Alabama. In the milk orders the class I price is the price which dairy farmers receive for their milk which is used in fluid form by consumers. It is a combination of (1) a base price which is the average price paid to dairy farmers in Minnesota and Wisconsin for milk of manufacturing grade quality; and, (2) a differential which includes an amount equal to

1½ cents per hundredweight for every 10 miles the regulated market is in distance from Wisconsin. This 1½ cents per hundredweight represented the estimated cost of transporting milk in the days the class I pricing formula was developed. It is to the policy of those days that I am now suggesting we return, that is, to have the local prices for class I milk be made equal to the cost of good quality milk brought in from alternate sources which were in those days and also now located in Minnesota and Wisconsin. But that 1½ cents per hundredweight included in milk orders has not changed since 1968. Present rates for moving milk are running in the vicinity of 3.5 cents per hundredweight. It is my information that many cooperatives throughout the country have been urging the Department of Agriculture to hold hearings to increase the rate. The restoration of these rates to reflect more closely the present day costs would cause no marketing problems and would tend to correct some that now exist. Because of the need to keep close alignment of prices in Federal orders, the change would have to be made in all milk orders.

Certain other possible inequities might be avoided by making the change. Federal milk orders cover only about 70 percent of the fluid milk in the country. Some States have their own State orders and in those orders class I prices do not change with a change in the price support levels. As a result, their differential over manufacturing grade milk will increase with a drop in the price support level for manufacturing milk. In other markets, including some with Federal milk orders, higher prices for class I milk will be negotiated. In all Federal order markets, the prices paid by all milk dealers, both those who buy local milk, as well as those who will have the burden of bringing in the more expensive other source milk, will be more nearly equal. All in all, a much more equitable and stable marketing situation will prevail.

Therefore, it is my recommendation that the proposal before us be amended by requiring the Secretary of Agriculture to hold public hearings for the purpose of receiving evidence to determine the amount that class I differential in all Federal milk orders should be increased to reflect more nearly the cost of transporting milk.

I believe the chairman of the committee and the ranking minority member will accept this. It is not a controversial amendment.

Mr. HELMS. Will the Senator yield?

Mr. HEFLIN. Yes, I yield.

Mr. HELMS. It certainly is not controversial with me in terms of accepting the amendment. There may be a discussion of it in conference, about the details. For our side, I will say to the Senator from Alabama we accept the amendment.

Mr. HUDDLESTON. We are prepared to accept the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 2305) was agreed to.

Mr. HEFLIN. I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2306

(Purpose: to amend the Agricultural Adjustment Act, as amended and reenacted by the Agricultural Marketing Agreement Act of 1937, to authorize the development of marketing orders for eggs)

Mr. HEFLIN. Madam President, I send another amendment to the desk which I have discussed with the chairman and ranking member of this committee. This amendment deals with eggs. It would provide for domestic egg producers to have an opportunity to develop a marketing order for the egg industry. We have had hearings on this. Of course, this is not mandatory.

Mr. HELMS. Has the amendment been reported?

The PRESIDING OFFICER. The amendment has not been reported. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. HEFLIN) proposes amendment numbered 2306.

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

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

The amendment is as follows:

On page 53, after line 15, insert a new title as follows:

"TITLE III—EGGS

"SEC. 301. This title may be cited as the "Egg Adjustment Act of 1983".

"SEC. 302. The Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended in the first sentence of section 8c(2) by striking out "poultry (but not excepting turkeys), eggs (but not excepting turkey hatching eggs)," and inserting in lieu thereof "poultry (but not excepting turkeys and not excepting poultry which produce commercial eggs),"; and in subsection (I) of section 8c(6) by inserting after the word "pecans," and before the word "avocados,", the word "eggs,".

Mr. HEFLIN. Madam President, I have furnished copies of this amendment to the chairman and to the ranking member. They have had hearings on this.

This amendment would allow for hearings to be held and for the egg people to get together with the Secretary of Agriculture to make determinations as to whether or not they would like to have this. This would mean that it could be available, provided the egg producers of the country wanted to develop it and the Secretary wanted to develop it.

Madam President, I rise today to offer an amendment to S. 1529 which would provide domestic egg producers with the opportunity to develop a marketing order for the egg industry.

This amendment is similar to my bill, S. 1368, which was subject to hearings on July 14 before the subcommittee. I have modified it slightly to reflect the testimony received at that hearing.

This amendment would amend the Agricultural Marketing Agreement Act of 1937 which provides producers of numerous agricultural commodities the opportunity to establish marketing orders. My amendment would merely provide egg producers the same opportunity which producers of these other commodities currently enjoy.

This amendment would not be mandatory in the sense that it would not force the egg industry to develop a marketing order. This decision would be left to the industry and the Secretary of Agriculture. Any such order would have to be developed with the cooperation and joint efforts of the industry and the USDA. Moreover, the public would have ample input and opportunity for hearing. I am hopeful that my distinguished colleague from North Carolina and chairman of the Senate Agriculture Committee will accept this noncontroversial amendment.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Madam President, I support the Heflin amendment, and I encourage the Senate to adopt it.

These past few years have been especially difficult for America's egg producers. Forced to sell their product at prices below their cost of production for some time now, many egg producers have chosen to leave the business. From October 1981 to December 1982, the number of egg producers has dropped from more than 6,000 to less than 4,000.

The difficulties which our egg producers are experiencing has much to do with their shrinking export sales. In 1981, our egg producers exported 234 million dozen eggs. Their largest markets were in Japan and Iraq. In 1982, our egg producers saw their total exports decline by 31 percent, with sales to Japan and Iraq falling 37 percent. The decline so far this year, however, has been even worse. From January to March exports were down 52 percent from the same period in 1982.

Most of the decline in U.S. export sales of eggs has nothing to do with the efficiency of our producers. Rather, our egg producers and their

export markets have fallen prey to predatory subsidies employed by other nations. Countries such as France and Brazil, in order to infiltrate traditional U.S. markets, commonly employ export subsidies of 9 to 11 cents per dozen.

While it has been estimated that our falling egg exports alone have caused a 4 cents per dozen decline in farm prices for our egg producers over a 1-year period, this is not the only problem they face. No doubt, the escalating support mechanisms adopted by Congress for the grain programs has combined with other disruptions in these programs to further exacerbate the price squeeze which egg producers now find themselves in.

The Agriculture Committee has already taken action to help bring our egg producers through these difficult times. Earlier this year, the committee reported out S. 822, the Agricultural Export Equity and Market Expansion Act of 1983. As part of this legislation, it is required that the remaining $90 million of the Helms export promotion amendment money provided in the 1982 Omnibus Budget Reconciliation Act be used for price or credit subsidies for exports of value added American agricultural products. The legislation specifies that at least $20 million of this money be used for poultry and eggs. As this legislation is currently awaiting floor action, 10 committee members recently signed a letter to President Reagan encouraging him to use part of the Helms promotion amendment money to facilitate an egg sale to Iraq.

In order to help egg producers help themselves, Senator HEFLIN has proposed the amendment now before us. This is a simple amendment; all it does is include eggs in the Agricultural Marketing Agreement Act of 1937, and in this way, authorizes egg producers to develop a marketing order. This amendment does not implement a marketing order, and does not require that the industry develop one. It simply provides the industry with the opportunity which so many other commodities now have to consider whether it wants and needs the types of programs provided for under the act.

I think it is important to note that if the industry does decide that a marketing order or agreement is desired, it will be developed by the industry in cooperation with the USDA. The order, or agreement must be approved by two-thirds of domestic egg producers, or a majority of producers responsible for two-thirds of total U.S. egg production. In addition, the Secretary of Agriculture has veto power over anything the industry may develop.

I have found that egg producer groups are unanimous in their agreement that their product be included in the 1937 act. While all involved realize that the Heflin amendment is neither a cure-all nor an immediate remedy, the amendment does provide producers with the same opportunity and flexibility to help themselves that producers of many other agricultural products already have.

Mr. HUDDLESTON. Madam President, we likewise support this amendment and urge its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 2306) was agreed to.

Mr. HEFLIN. I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. HELMS. Madam President, I ask unanimous consent that when the distinguished Senator from Montana calls up an amendment, and after it is reported by the clerk, that it be made the pending business after we return to the bill tomorrow morning.

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

AMENDMENT NO. 2307

(Purpose: To limit the application of the milk assessment and diversion programs to areas in which a federal milk marketing order is in effect)

Mr. BAUCUS. Madam President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana (Mr. BAUCUS) proposes an amendment numbered 2307.

Mr. BAUCUS. I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 4, line 11, insert after the period the following new sentence: "At the discretion of the Secretary this paragraph applies only to a producer who produces any quantity of milk in a production area specified in a marketing order issued under section 8c of the Agricultural Adjustment Act, as amended and reenacted by the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 608c).".

On page 6, line 2, insert after the period the following new sentence: "At the discretion of the Secretary this paragraph applies only to a producer who produces any quantity of milk in a production area specified in a marketing order issued under section 8c of the Agricultural Adjustment Act, as amended and reenacted by the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 608c).".

Mr. BAUCUS. Madam President, I thank the chairman of the committee for making provision that this amendment be the pending business when the Senate convenes tomorrow morning. I yield the floor.

STATEMENT ON AMENDMENT NO. 2297

Mr. LEVIN. Mr. President, I voted reluctantly to table Senator METZENBAUM's amendment to eliminate the tobacco program because it would have made too drastic a change in the Federal tobacco program and would, therefore, cause great economic hardship for those involved in that business.

I agree with my colleague from Ohio that the Federal Government should not be involved in the tobacco business because smoking tobacco has been proven to have many serious health effects.

It is important, however, that any changes in the tobacco program, not inadvertently cause the price of tobacco to decrease—thereby making cigarettes more attractive to potential new smokers. Rapid elimination of the allotment could well reduce tobacco prices. I hope that any future proposals to abolish the tobacco allotment program would not have the effect of lowering the price of tobacco products as this amendment well could.

This amendment of my colleague from Ohio is some improvement upon previous attempts at abolishing the tobacco program. He has recognized to an extent the economic hardships that would face small tobacco farmers from the elimination of the allotment and support programs. However, the tobacco allotment system and price support program should be phased out gradually, with appropriate reimbursement to those small farmers who would suffer the most from the abolition of the allotment system. I hope such a balanced and fair program will be brought before the Congress in the near future.

Mr. STENNIS. Mr. President, I intend to support this dairy legislation we are considering today. While the bill does not provide a dairy program that is completely to my liking or to the benefit of dairy farmers in Mississippi, it does represent a compromise between the various groups in the dairy industry, the Congress, and the administration. For that reason, and because many of our dairy farmers are on the brink of failure, I think it is important to act today to accept the provisions of S. 1529, the dairy compromise package.

This legislation repeals the authority of the Secretary of Agriculture to collect a $1 assessment on every hundredweight of milk sold commercially. This is probably the most important part of this legislation, since that assessment is causing such hardship on our farmers and is doing nothing to reduce production. In fact, it is encouraging production.

I have some concern about one portion of the bill in particular, the paid diversion program. I agree with the intent of the program but I am con-

cerned about the impact this program may have on another part of our agriculture community, the beef cattle industry. I have been assured by the Department of Agriculture that this legislation provides them with the tools they need to see that those dairy cattle which are taken out of milk production are not flooded onto the beef market all at once. However, I wanted to reiterate this concern because I think it is very important that we do not provide help to one part of our agriculture community at the expense of another. I intend to keep my eye on the dairy program to see that this does not happen.

I urge my colleagues to join me in supporting this legislation which is desperately needed by our dairy farmers.

Thank you.

Mr. ABDNOR. Mr. President, it is my hope that the Senate will act today on S. 1529, better known as the dairy compromise.

The pending dairy compromise, developed jointly by the Senate and House Agriculture Committees working diligently with the dairy industry and the administration, represents a reasoned and comprehensive solution to the dairy surplus problem. USDA's own economic projections show the compromise measure to be drastically superior to the current law—as well as other proposals under consideration—in terms of lowering milk production, reducing net Commodity Credit Corporation (CCC) purchases, and decreasing Government held dairy product inventories.

The dairy compromise is designed to move quickly to restore the needed supply demand balance in the dairy industry by providing an incentive to dairy farmers to reduce milk production. It also aims at expanding consumption of milk and dairy products through establishment of a dairy farmer funded and directed program of promotion of milk and dairy products. This combination of efforts is aimed at reducing Commodity Credit Corporation purchases of dairy products under the price support program and cutting Government costs.

The compromise will cut the cost of the dairy program nearly $1.4 billion next year and to $989 million in fiscal year 1984 according to USDA estimates. Commodity Credit Corporation purchases of surplus dairy products will be cut from 16.3 billion pounds to 0.5 billion pounds over the same time period. The compromise will do this fairly and effectively without putting many young and highly leveraged farmers out of business.

We all are aware of the high cost of the current dairy program. A program that cost the Government $56 million in 1979 skyrocketed to $1 billion in 1980, to $2 billion in 1981, $2 billion in 1982, and is likely to cost as much as $3 billion this year.

We need to pass the dairy compromise today because the current law of assessing dairy farmers $1 per hundredweight on all milk marketed has not proved to be effective in reducing milk production and is extremely unfair. During the period that the assessment has been collected, milk production has actually increased because dairy producers saw their milk checks shrink while their costs have continued in increase. The natural reaction is to increase production in order to cover fixed and variable costs.

Since April 16, over $250 million has been collected in assessments with no evidence to suggest that this approach is effective in slowing milk output. The assessments threaten to cost dairy farmers nearly $1.5 billion in fiscal year 1984—dealing not only a devastating blow to farmers, but also to the broad range of businesses dependent on dairying in rural economies throughout the Nation.

The dairy compromise provides a sensible and effective solution to milk surpluses by offering dairy farmers strong individual incentives to reduce production. The program features $10 per hundredweight diversion payments for producers who reduce marketings from 5 to 30 percent of their history. This plan is based on supply management with an added incentive principle.

Other major elements of the dairy compromise include: A mandatory 50 cents per hundredweight assessment which will be used to finance diversion payments; a 50 cent per hundredweight reduction in the milk price support program with further reductions if milk production is not sufficiently curtailed during the diversion program and; a national advertising and promotion program, funded entirely by dairy farmers, to alleviate milk surpluses by increasing consumption.

The compromise balances the interest of taxpayers, consumers, and dairy producers. It cuts the taxpayer cost of the dairy program to less than one-third of what it will cost in 1983. It reduces the farm price of milk in order to help reduce the retail cost of milk and milk products. It has an effective incentive plan to induce farmers to reduce production, which will be financed by the farmers themselves.

Mr. President, I urge my colleagues to join with me in order to pass the compromise bill. Dairy farmers in my home State of South Dakota as well as from across the Nation need congressional action on dairy legislation. The $1 per hundredweight which is being collected is ruinous for dairy farmers. Although some Members of this body may advocate dropping the support price, doing so will not save the taxpayers money. Cutting the support price actually increases taxpayer costs as farmers produce more to make up for the price cut. The consecutive monthly increases in production which have occurred during the period in which the $1 assessment has been collected provide clear evidence of how counterproductive any effort to reduce surpluses is in the absence of a paid incentive program. Taxpayers will only get relief if the surplus is eliminated; this can only be accomplished through a paid incentive program to cut production.

Straight price cuts, like the assessments, run the risk of forcing many dairy farm families out of business. With milk price supports frozen for 3 years now, dairy families are being squeezed by the rapid surge in feed prices caused by the combined impact of the summer drought and the PIK program.

Other production costs for equipment, electricity, and interest also have risen at alarming rates, pushing many dairy families to the point of economic ruin. A drop in the support price without an incentive program to reduce production is ill-conceived and disastrous.

Mr. President, I urge my colleagues to vote for the dairy compromise. Although I do not endorse enthusiastically all provisions of the compromise, such as a continuation of one 50 cent assessment and a drop of the support price, I will support it because it truly is a compromise which was worked out by proponents and opponents of the dairy price support program. It is much better than the alternatives of either continuing the $1 assessment or dropping the support price to $11.60 per hundredweight without any diversion payments.

The compromise is supported strongly by virtually all of the major dairy cooperatives and their member owners. Eighty percent of the milk production across the country is marketed by farmers through the cooperatives they own and operate. The overwhelming support for the compromise is clear evidence of dairy farmers' thoughts on dairy legislation.

Dairy farmers are fully aware of the need to address the dairy surplus problem. It must, however, be addressed in a manner that will have the least possible adverse impact on dairy farmers and their ability to meet the needs of the markets they serve.

For these reasons, I urge prompt passage of S. 1529.

Mr. SYMMS. Mr President, the dairy support program as we all know is out of control. Steps must be taken now to reduce the amount of the dairy surplus and the high cost of support prices. Senator HAWKINS and I introduced the National Dairy Equity Act of 1983 to stop the budget hemorrhage caused by the runaway dairy support program. The approach we advocate is

to lower the support price by $1, not level any fee, not create a mandatory National Dairy Promotion Board, not create a diversion program, but to use a tested method of price support reduction. Along with the reduction the Secretary would keep the price support at $12.50 per hundredweight until Government purchases drop to below 7 billion pounds annually. If purchases were less than 7 billion, but more than 5 billion then the new support price could be raised to $12.60. If purchases the next year were less than 5 billion, the old support price of $13.10 would be restored.

This approach, coupling a temporary price reduction with a mechanism for restoring prices when Government purchases fall, is fair to consumers and farmers alike. Lower support prices mean lower consumer prices for milk, cheese, and butter, with consumer savings distributed in a progressive fashion. The poor spend 5 percent of their income on dairy products as compared to the well-to-do who spend only 1 percent. I hope that you will join me in an effort to achieve budgetary savings in a way that treats farmers, consumers, and taxpayers fairly.

● Mr. KASTEN. Mr. President, as a Senator from Wisconsin, the Nation's No. 1 dairy State, I feel it is imperative for me to voice my concern over two provisions of the dairy compromise bill laid before us today. The two provisions deal with direct cuts in the support price and the mandated promotion plan.

I cannot, in good conscience, support a program that calls for direct cuts in the support price. Proponents of this measure point to the fact that the present dairy program is costing the Government billions of dollars. They also say that dairy farmers are getting rich on Government subsidies. I strongly disagree. I invite my colleagues to visit the dairy farms in Wisconsin where the average herd size is 42 cows, the average farm size is less than 200 acres, the farms are operated by farm families not by corporations and net income per dairy farm last year was approximately $16,500. If my colleagues feel that farmers are getting rich on dairy subsidies, I tell them to look again.

The price paid to dairy farmers has been frozen for better than 2 years. By directly cutting the support price we are jeapordizing their livelihoods. Dairymen's management capabilities are already pressed to the utmost by rising production costs and living expenses.

The Senate recently voted themselves a pay raise. I did not support this raise, yet I have dairy farmers ask me how the Senate can vote to increase their salaries, while at the same time vote to cut dairy farmer's paychecks. Can anyone here today answer that question?

The second provision of the compromise that I am concerned with deals with the National Promotion Plan. I have no objection to promotion, per se, but to mandate such a program without dairy farmer's input is absurd. As these farmers will be the ones to pay for this program, they should be given the chance to vote on it. This provision is a blatant example of Government meddling. I strongly believe that if the dairy farmers want a promotion program, they should be the ones to decide, not the U.S. Senate.

Should this provision pass intact, it will set a poor precedent for future legislation of this type. What is to stop Congress from voting a mandatory promotion program for corn, rice, cotton, beef, pork, and other commodities? As I stated before, I have no objection to the promotion of products, yet I question the way we are dealing with this issue today.

Mr. President, my record of voting for dairy legislation has been consistent. It has been one directed at maintaining a reasonable and fair dairy price support program. I understand we have a good number of amendments pending on this compromise. I will listen with interest as these amendments are considered, and will cast my vote on the compromise accordingly.

I would hope that we can resolve this issue today. For too long the dairy price support program has been a roller coaster affair with no positive direction. Time after time, we have witnessed the ups and downs. We have been laboring in a state of limbo, unfairly leaving our dairy farmers unsure of what to expect. It has been frustrating for all.

I feel it is time the Senate "bite the bullet" and move a dairy plan through. We have waited too long and the longer we wait the more frustrating and difficult the situation becomes. In the best interest of all, I urge my colleagues to act in a responsible manner by voting final passage of dairy legislation today.●

ORDER OF PROCEDURE

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Madam President, I am advised by the managers on both sides that there is nothing further to be done on this bill this evening. The Baucus amendment will be the pending question when we resume consideration of this bill at 10 o'clock tomorrow.

There is one other matter to be dealt with before we conclude, and that is the extension of the unemployment benefits bill.

ROUTINE MORNING BUSINESS

Mr. BAKER. While awaiting final clearance on the extension of unemployment benefits bill, Madam President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond the hour of 8 o'clock during which Senators may speak.

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

(The following statements and proceedings occurred during the day and are printed at this point for the purpose of continuity in the RECORD)

FLIGHT 007 AFTERMATH

Mr. BYRD. Mr. President, the British author and adventurer T. E. Lawrence once noted that a liar is bad because he knows the truth and chooses to ignore it, but one who tells half-truths is worse because he does not even remember what the truth looks like. The Soviet campaign of half-truths in the aftermath of the attack on Korean Air Line flight 007, has succeeded only in reaffirming the world's opinion of Soviet brutality. This is clear from the fact that the Soviets failed in their efforts to weaken language in a resolution passed by the International Civil Aviation Organization which deplored the Soviet action that cost the lives of 269 innocent civilians from 13 countries.

It is also clear from a recent report in the New York Times, that the official Soviet line is no more credible at home than it is abroad. Soviet citizens have learned to read between the lines to discover their government's treachery, and they seem to share the sense of horror felt by all civilized people.

Mr. President, I ask unanimous consent that the Times article of October 2, 1983, be printed in the RECORD.

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

[From the New York Times, Oct. 4, 1983]

REPORTER'S NOTEBOOK: SOME DOUBTS AMONG RUSSIANS ON DOWNING OF JET

(By John F. Burns)

Moscow, Oct. 1—A month after a Soviet jet fighter shot down Korean Air Lines Flight 007 over Sakhalin Island, the incident has maintained a surprising momentum here, despite Kremlin efforts to switch public attention back to the "military threat" posed by the United States.

Conversations with some Russians suggest that the campaign to persuade them the Soviet Union bears no guilt and no lasting stigma in world affairs may have been less successful than Westerners here originally thought, at least among the more educated.

An engineer, a university lecturer and an industrial manager who discussed the matter in separate conversation, as well as others, indicated that members of the middle class had a fairly accurate idea of what happened to the airliner, and that quite a number were uneasy about it.

One man, returning to Moscow after a summer vacation, said he and his friends had known from the first ambiguous statement by Tass, the official press agency, that a disaster had occurred and that the victims

must have been on a civilian aircraft, facts unmentioned by Tass.

'TERRIBLE MISTAKE' INFERRED

The man said that subsequent announcements, up to the admission on Sept. 6 that the plane had been shot down, convinced them that a "terrible mistake" had been made by the Soviet armed forces and that Moscow was engaged in an exercise in damage control.

The man drew his conclusions in a familiar fashion, by reading between the lines of official statements, learning as much from what was not said as from what was.

A surprising number of other people learned the full story behind the incident by listening to Russian-language broadcasts from West Germany and Britain and from the Voice of America. Although the foreign broadcasts were heavily jammed, many Russians reported during the airliner crisis that, as one man put it, "if you want to listen and keep searching the dial long enough, you'll get a signal."

Among such people, by no means all dissidents, the words used to describe the fate of Flight 007's passengers are little different from those heard in the West.

'HORRIBLE, JUST HORRIBLE'

"It was horrible, just horrible," said one man. "I mean, they actually shot down an airliner. It's unimaginable."

Those voicing such comments said that the airliner's deviation from its flight path needed clarifying, but there seemed little disposition to accept the official argument that the suspicion that it was on a spying mission justified shooting it down.

Against this, many other Russians, particularly those in blue-collar jobs, seemed content to accept the Government's argument that the defense of the country's "sacred borders" out-weighed the loss of life.

The number of casualties was officially mentioned only twice, in the Government newspaper Izvestia and a Moscow paper, Sovetskaya Rossiya. But even the death toll of 269 failed to shift the convictions of those whose instinct was to back the authorities. "I don't think that's so many, when you consider how many people died in the war," was a typical comment.

Although Western envoys here have abandoned any hope that Soviet officials will heed demands for an apology and for compensation for the casualties, diplomatic efforts to win Soviet cooperation in the affair continue almost every day.

But even when requests are presented in a manner designed to avoid the issue of blame, the Foreign Ministry here has reacted in a peremptory fashion, refusing even to accept the notes on which the requests are put forward.

One ambassador whose nation had several citizens aboard the South Korean plane went to the Foreign Ministry this week with a note listing the names and personal particulars, including passport numbers.

Among other things, the note asked that any human remains or belongings be returned to the country concerned, and requested that the Soviet authorities consider issuing provisional death certificates to speed up legal processes for the victims' families. A senior official of the ministry's consular department pushed the note straight back across the table and with a stone face ended the encounter.

Another ambassador, treated in similar fashion, admitted he had abandoned his diplomatic demeanor. "I said to this bloke, 'Listen to me, because my Government would like you to understand something of the human dimensions of this thing. I want you to imagine the scene aboard that aircraft as those people went to their watery graves, crying out for help and grasping for their loved ones. This is what occurred, and when you respond to us in this fashion it would be as well if you thought about it a little.'"

Another prominent Western ambassador reacted by cutting off social contacts with Russian officials, a decision that involved telling one group of Soviet guests that a dinner dance had been canceled, then reinstituting the occasion, without them, as a dinner. The ambassador's wife has made her feelings known in another way. Since the airliner went down, she has dressed only in black on formal occasions.

In putting its case before the Soviet public, the Kremlin showed something of its attitude toward Western news organizations. In general, these are denounced here for their "lies" and "distortions," but after the airliner was shot down, Tass and the principal newspapers reprinted dozens of items from Western papers in the effort to prove Moscow's case that the Korean jet was spying.

The calculation seemed to be that Soviet readers doubtful of the official Government account would be convinced when they saw what seemed to be support for the official version coming from The New York Times, The Washington Post and other newspapers in the West. But many of the citations were taken out of their context or otherwise doctored to distort their intent.

For example, a long article that appeared in Pravda last week quoted triumphantly from a British television report to show that Britain's Civil Aviation Authority had run simulations and seemingly concluded that it was "an absolute impossibility" for the Korean plane to have deviated so far from its course as a result of crew error or navigational failure.

QUITE A DIFFERENT CONCLUSION

In fact, the British authority's investigation had concluded that if the Korean pilot had made a mistake of a single notch in setting one switch on his automatic pilot, placing the aircraft on a compass heading instead of a pre-set, computer-guided course, it could have ended up five miles from where it was shot down.

Perhaps the most illuminating example was a Tass item on Sept. 16 reporting that the Soviet Embassy in Canberra had received a letter on the airliner incident from "the Australian pilot F. James with 46 years' seniority."

Tass quoted Mr. James as saying that "a growing number of pilots" were like him, "indignant" at the Australian Government's having been drawn into the "propaganda campaign of distorting facts" put out by Washington. What Tass did not mention was that Francis James is an elderly Australian maverick with leftist sympathies whose flying experiences were in World War II.

The Korean airliner incident illuminated the Soviet system in many unexpected ways, mainly in the glimpses it gave of the workings of the armed forces. For Western analysts, one bonus was the appearance at a two-hour news conference of Marshal Nikolai V. Ogarkov, the Chief of the General Staff, who was previously to be glimpsed only on ceremonial occasions in Red Square.

Although the case he presented convinced few diplomats, the marshal's demeanor was generally considered impressive.

An engineer by training, Marshal Ogarkov is perhaps the outstanding example of the new generation of technically skilled officers who were advanced rapidly under the leadership of Nikita S. Khrushchev, who believed that the armed forces needed a younger, more efficient general officer corps than the one that took over in the aftermath of World War II.

Now aged 65 and in his seventh year as the nation's top soldier, Marshal Ogarkov rose to the top on the strength of his skills as an overseer of weapons procurement and research programs.

EVERY INCH A PROFESSIONAL

At the news conference, he was every inch an accomplished general staff officer, running through the Soviet version of the Korean plane's flight to destruction smoothly and with barely a sign of irritation at the blunt questions that came from Western newsmen.

When one reporter asked if the Kremlin was prepared to risk war on the decision of local military commanders, and another asked sarcastically if the defense of the nation's "sacred borders" was worth 269 lives, he responded calmly, as though a dry run at the general staff headquarters had prepared him for every question.

With Defense Minister Dmitri F. Ustinov nearing his 75th birthday, Marshal Ogarkov heads the short list of those expected by many Western diplomats to be his eventual successor. On the basis of his performance at the news conference, many diplomats believed the marshal could be a formidable figure, particularly at a time when the Soviet military's political influence appears to be running high.

"He's smart, and he's tough, and he's cool, and the way he's handling this business shows that he can take a bad brief and give it a pretty good run," one Western envoy said. "What more could the Kremlin want?"

LECH WALESA'S NOBEL PRIZE

Mr. ROBERT C. BYRD. Mr. President, Alfred Nobel established annual awards, to be given to those men and women whose work in physics, chemistry, medicine, physiology, literature, and peace was deserving of exceptional recognition. In that last and most important category—peace—the prize has been bestowed on some of the greatest men and women of our century. These recipients have contributed to the fundamental stability of our world, and to the quality of human life. Recent recipients have included Mother Theresa, Anwar Sadat, Menachem Begin, and Soviet dissident Andre Sakharov.

Yesterday, the peace prize was awarded to Lech Walesa, leader of the outlawed Polish labor union, Solidarity. Walesa has championed the cause of freedom of association and basic human rights in a time and place where those causes are anathema. He has gone toe-to-toe with the Soviet-inspired repression in his native Poland, and he bears the scars. He was imprisoned, slandered, and humiliated by a system that has nothing but contempt for the dignity of its own people. He was dismissed from his job, and his

union was broken up by force. But at a recent sports event, people in the audience learned that Walesa was there, and that it was his birthday. Suddenly, without any prompting, thousands in the stadium rose to sing him "Happy Birthday." No amount of repression or fear can suppress the kind of spirit that Walesa has ignited in his fellow countrymen, and they hold the man—and what he stands for—in a special place in their hearts.

In its citation, the Nobel Committee said Walesa's battle for worker's rights has been characterized by "A determination to solve his country's problems through negotiation and cooperation." They went on to say that "This contribution is of vital importance to the wider campaign to secure universal freedom to organize."

Walesa is an ordinary working man—an electrician—who saw the need for fundamental change in his society and went on to bring about that change through peaceful means. Working men and women in this country identify with him, and support him in his efforts to achieve the basic rights that Solidarity sought. The Polish Government knows all too well that the imposition of martial law did not stop the inexorable movement toward those goals. The pride and dignity of the Polish people will not be submerged by force. The selection of Lech Walesa as recipient of the Nobel Peace Prize renews that pride and the legitimacy of Walesa's struggle. I congratulate him; and wish him every success.

I ask unanimous consent to have printed in the RECORD the news story announcing the award.

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

NOBEL PEACE PRIZE

(By Chris Lund)

OSLO (UPI).—Lech Walesa, the electrician who led Poland's Solidarity trade union in a defiant quest for freedom under a Communist regime, won the 1983 Nobel Peace Prize, the Nobel Committee announced Wednesday.

The committee citation said Walesa's battle to win workers' rights from the Warsaw government has been characterized "by a determination to solve his country's problem through negotiation and cooperation" and his efforts "will contribute to a relaxation of international tension."

When the news came, Walesa was picking mushrooms near his home in Gdansk, Poland, and unaware he had become the first Pole ever to win the Nobel Peace Prize.

"I am so happy, so happy," his wife Danuta, said in disbelief. "I cannot say how happy I am. It's wonderful. I told him not to go out. Now he'll be the last to know."

"It is a great thing for him and for the whole nation," said Walesa's priest, Rev. Henryk Jankowski. "Walesa symbolizes the nation."

In Warsaw, the Polish Government refused to comment on the award, which came at the height of government propaganda campaign accusing Walesa of trying to stash $1 million in the Vatican Bank.

Committee Chairman Egil Aaryik acknowledged the choice of Walesa would not please Poland's military rulers.

Walesa was notified by telegram he had won the prize and was invited to the Dec. 10 award ceremony in Oslo. "We don't expect anything but we very strongly hope he comes," Aaryik said.

The committee praised his "considerable personal sacrifice" in battling for workers' rights—including nearly a year of detention while Poland was under the martial law declared in December 1981.

"This contribution is of vital importance in the wider campaign to secure universal freedom to organize—a human right as defined by the United Nations," the committee said.

Other nominees for the prize this year included Desmond Tutu, a black Anglican bishop active in fighting South Africa's apartheid policy, and former U.S. Middle East enjoy Philip Habib.

Prize winners receive a gold medal and monetary prize that this year is 1.5 million Swedish kronor ($200,000). It is uncertain how Walesa will collect or whether he will be allowed to travel to Oslo to receive his prize.

ANOTHER VOICE AGAINST HIGHER PHONE RATES

Mr. DIXON. Mr. President, an editorial in the New York Times urges that the Senate not rush to judgment on S. 1660, the bill which interjects the Congress into the morass surrounding the break up of the American Telephone & Telegraph Co.

This is my feeling exactly—that haste is only going to complicate an already complex situation, rather than improve it.

Even though we are distracted at the moment, Mr. President, by the important business at hand, I beseech my colleagues to pay particular attention to developments in the telecommunications field. All of us must be thoroughly briefed on this vital matter, lest we compound the situation by making serious and long-reaching mistakes.

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

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

[From the New York Times, Oct. 6, 1983]

PUTTING CONGRESS ON HOLD

The Federal Communications Commission wants residential telephone users to pay $2 a month and businesses as much as $6 a month for access to long distance. But Congress, fearful of a backlash when the proposed rates start in January, threatens to overrule the decision. That would be an ill-informed mistake.

To the F.C.C.'s critics, the access charges are another assault on common sense by economic theoreticians bent on tinkering with the best telephone system in the world. In fact, flat-fee access charges are no threat to phone service. Far from it. They would produce better service for no more money. Congress seems not to understand that—and should not rush to judge until it does.

A few decades ago, long distance was an expensive luxury in a telephone system built primarily for local use. The way long-distance costs were apportioned was relatively unimportant. But new technology has dramatically changed the economics of telecommunications. Today, the real cost of calling cross-country is only slightly greater than calling crosstown.

Yet for reasons of inertia and politics, the regulators have only recently begun to adjust rates accordingly. Despite this failure to adjust, American phone service remains first-rate. Why should we tinker with it now? In part, because technology forces us to.

Long-distance callers will pay inflated charges only if they have no alternative. Now, heavy users can create their own satellite communications systems, entirely bypassing Ma Bell and her high rates. For the moment, such systems carry only a tiny fraction of long-distance traffic, but the handwriting is on the wall if not in the airwaves: Long-distance charges must come down.

Long-distance callers share the use of billions in equipment in local phone company offices. On average, a quarter of the messages traveling along local wires are long-distance. To compensate the local phone companies, long-distance users are now billed for about a quarter of the local equipment costs, about 15 cents a minute.

What's wrong with that? Once local systems are built, it costs little or nothing to provide access to long distance. The 15-cent-a-minute charge thus needlessly discourages long-distance calls. So Billy calls home from college once a month rather than once a week. Businesses spend $4 to type and mail a message that would cost the phone companies only $3 to handle. Multiply that by millions of long-distance calls not made each day and you get some idea of what the inefficiency costs.

With fixed access rates, individual long-distance calls will cost less, encouraging people to make more of them, thus creating more efficient use of the whole phone system.

Critics charge that to rely more on fixed access fees would force poor people to give up their phones. If that were a realistic danger, more efficient use of long distance might not be worth the social cost. But it's not realistic. In fact, the F.C.C. has invited phone companies to create cheap, no-frills, "life-line" service if they haven't already established. it.

Congress has a choice. It can surrender to political panic and vote to retard change, hoping that long-distance callers don't find ways to beat the overcharges. Or it can allow a gradual transition to efficient, cost-based pricing, taking care to protect access to phone service at reasonable prices. And that is no choice at all.

THE WEIRTON STEEL CO. ESOP

Mr. LONG. Mr. President, on September 23, the community of Weirton W. Va., took a historic vote on a matter of potential great significance not only to that community but to communities all across the Nation.

For three-quarters of a century, the dominant industry—as well as the largest private employer—the Weirton

has been the local steel mill which operated as a division of Pittsburgh-headquartered National Steel Corp.

In order to survive in the beleagured steel industry, Weirton's 7,000 steelworkers voted to utilize an employee stock ownership plan (SOP) to buy the Weirton facility. In order to undertake this historic buyout, the employees agreed to reduce their compensation approximately 20 percent below that of other steelworkers in the United States.

These sacrifices were necessary, not only to make the Weirton plant more cost competitive, but also to make it financially possible for the new company to bring its facilities more in line with the prevailing state of technology in this capital-intensive industry.

In March of 1981, National Steel announced that it would no longer invest additional funds in the Weirton Division, funds that were essential if the facility was to remain a financially viable entity. At the same time, National Steel indicated a willingness to cooperate with the Weirton community to facilitate an acquistion by the employees.

During the 18½ months following that announcement, the Weirton community has demonstrated remarkable courage, determination, and resolve in undertaking the many complex steps required to complete this unique transaction.

In order to coordinate the numerous details involved, a joint study committee was formed, with representatives from both labor and management working closely together to insure that the buyout project continued to move forward. The joint study committee contracted with consultants in all of the many fields of expertise required, including attorneys, investment bankers, employee benefit consultants, management consultants, and other.

The Weirton community demonstrated their support for the efforts of the joint study committee by sponsoring a broad range of fund-raising activities. The State of West Virginia also put its resources behind this effort, with Gov. Jay Rockefeller helping to obtain State economic development funds to assist the joint study committee's efforts.

West Virginia's fine congressional delegation also helped by lending their enthusiastic support to this undertaking. In particular, Senators ROBERT BYRD and JENNINGS RANDOLPH were instrumental in helping to overcome Federal regulatory barriers that would otherwise have imposed additional costs on the firm at a very inopportune time.

Mr. President, the support that united behind this proposal provides an excellent example of how a community can find its way out of economic adversity.

The vote approving the employee stock ownership plan—82 percent approval—is, of course, only the first step. The ESOP alone is not going to save Weirton, although the tax incentives available for ESOP's will help to make the acquisition possible. But the new Weirton Steel Co. will still need to produce a high quality product at a competitive price. Fortunately, Weirton has a well-deserved reputation for top quality production by a highly skilled work force.

The eyes of the world are going to be on Weirton for some time to come. Over the next few weeks and months, this historic vote will be discussed and debated in business and labor circles all across the Nation, and, indeed, all across the world.

The Weirton community is stepping out in a new direction, a direction that I believe can show people the world over how the benefits of our system can reach out and include people in all walks of life. This farsighted and courageous community has the potential to set an example of workability, to show other industries, and other nations, how an enterprise—and a community—can pull together to make it through difficult times.

Their efforts have been a source of pride and inspiration to those of us who have watched them closely over the past year and a half. I know that people everywhere join me in wishing them great success.

There have been many articles discussing the Weirton ESOP as the planning proceeded. One of the best appeared in the August 13, 1983 edition of the National Journal.

I ask unanimous consent to have that article printed in the RECORD.

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

WORKERS AT WEIRTON STEEL SEE ONLY ONE WAY TO SAVE THEIR FAILING PLANT: BUY IT

(By Richard Corrigan)

WEIRTON, W. VA.—Everyone here knows how the most important election ever held in this city will come out, even before the voting date has been set and the thousand-page voters' guides have been passed around. Don Michaux, a gray-haired shop steward at the huge Weirton steel plant, cheerily sums up the limited choice that will be on the ballot: "It's a two-horse race. One of 'em's dead and one of 'em's not."

The live horse may have its drawbacks, but few votes are expected for the alternative.

This is an economic election, not a political one, and it represents a landmark development in U.S. labor-management relations. Workers at the Weirton Steel Division of National Steel Corp. expect to vote soon—maybe in September—to swallow cuts in wages and benefits as part of a deal in which local labor and management will take over ownership of the plant.

If all goes according to plan, the newly independent Weirton Steel Corp. will become the biggest employee-owned company in the nation, with annual revenues of up to $1 billion or more, making it one of the nation's top 10 steel companies and a member of the Fortune 500 industrials.

The alternative to accepting the package deal is to let National Steel keep the plant. But National doesn't want it and has declared that it will cut back its Weirton operations drastically if the employees don't take it over. That would lead to, if not a total shutdown of the plant, something very close.

With National's encouragement, Weirton jumped at the chance to keep the plant going under local ownership. The major union at the plant, the Independent Steelworkers Union, teamed up with the Weirton division's management to form a joint study committee to engineer a takeover plan. In an outpouring of hometown boosterism, community groups staged a series of fund-raising drives to help meet the $2 million-plus costs of outside advisers. Bake sales, telethons, golf outings, "We Can Do It" posters and T-shirts and a benefit performance by Frankie Yankovic and his polka band were all part of the campaign.

The Commerce Department's Economic Development Administration chipped in $100,000 to help meet initial costs, and the city of Weirton is readying an application for a $20 million urban development action grant from the Housing and Urban Development Department. The grant would be used for capital improvements inside the steel plant.

Weirton's effort to save the plant has attracted national attention, not because a worker-owned plant is a novelty but because this smokestack enterprise is so big that it dominates the local economy. In its heyday, the Weirton plant employed some 13,000 workers; even now, with 7,200 on the job and another 2,500 on the recall list, it is West Virginia's biggest single-location employer, says union president Walter F. Bish.

At a time when plant closings have become a nationwide phenomenon, Weirton's effort sparks hopes that other endangered companies might be rescued through the same tactic.

Sen. Russell B. Long, D-La., congressional champion of employee-owned stock plans, said in a June speech to the Weirton Chamber of Commerce, "You are on the threshold of creating something that will not only give new life to the Weirton community but will also serve as a beacon of hope to people in distressed communities all across this nation."

There is, however, no guarantee that the new company will survive. It is, after all, entering an industry whose major companies lost a combined total of more than $3 billion last year. And Weirton enters the business with a reputation of having the highest-priced labor in an overpriced labor sector.

"Whatever the USW [United Steelworkers of America] got, Weirton always got a little bit extra," said John G. Redline, president of National's Weirton Steel Division. "Which meant we never had any fear of work stoppages."

That "little bit extra" bought a no-strike clause in the local union's contract—the last Weirton steel strike was a half-century ago—but has been pricing Weirton out of the world steel market, Redline said. Weirton's veteran steelworkers commonly pull down $30,000, $40,000 or even $50,000 a year.

"The Japanese are $10 a man-hour cheaper than the [American] steel industry, and they're $13 a man-hour less than Weirton," Redline said. "Is it any wonder that these plants are dropping like flies?"

Redline said of the pending wage and benefit cuts in the Weirton plant, "Eighty percent of $27 an hour is a hell of a lot better than 100 percent of nothing. And that's what we're faced with." Redline was a candidate for the top job in the new company but announced his retirement after the incoming board of directors chose someone else.

A plant closing anywhere can be painful, but in Weirton's case the result would be a wipeout. This little Ohio River Valley city, jammed between wooded ridges in the northern tip of West Virginia, has been a one-company town since the first Weirton steel mill was founded by Ernest T. Weir around the turn of the century. Weir's company later was one of the founders of National Steel Corp.

The mill, which has provided jobs for generations of Weirton-area residents, overwhelms the city. To visualize its size, imagine that the Washington Mall, from the foot of Capitol Hill to the Lincoln Memorial and from Constitution Avenue to Independence Avenue, was one big steel plant. That's about the size of the Weirton plant—389 acres of furnaces and smokestacks, steel coils and railroad yards looming over a city of 25,000 residents.

Downtown Weirton is just a thin commercial outcropping along the rim of the plant. If the plant closed, it would be the end of civilization as Weirton knows it.

PUTTING THE SQUEEZE ON

The takeover campaign began when Pittsburgh-based National Steel announced on March 2, 1982, that it had decided to "substantially limit its future investments" in the Weirton plant. In effect, National said it was preparing to pull the plug—but suggested that an employee-owned company could be a "viable option."

While National's announcement stunned the city, the company had already made clear that it was diversifying out of the steel industry. In 1980, National moved into the financial sector with a $241 million cash purchase of United Financial Corp. of California. In its 1981 annual report, the company explained its strategy by saying that "businesses that cannot demonstrate either cash-generating capabilities or solid growth prospects will be reduced or divested." The company said it would "continue to adjust the size of its steel businesses downward."

The Weirton division, which accounts for nearly 40 per cent of National's steel production, generated revenues of more than $1 billion in each of 1980 and 1981. The figure skidded to $817 million in 1982, a calamitous year for the steel industry. On a company-wide basis, National lost nearly $500 million in 1982 as revenues fell by more than $1 billion.

In its 1982 annual report, National said the Weirton division had been "marginally profitable" during the previous five years but would require hundreds of millions of dollars in additional capital investments, with "slim prospects" of returning a reasonable profit. "Weirton's high cost position, due in large part to the fact that its employment costs are the highest in the steel industry, made even its long-term survival a question mark," National said.

Howard M. Love, National's chairman and chief executive officer, told the company's annual meeting this May, "The decision to sell the plant to the employees was, in large measure, predicated on our very real and sincere concern for the welfare of our Weirton employees and the people of Weirton." Love also said that if the employees voted against the agreement, the company would proceed with its plan to cut back operations there. There would be "no second vote," he said.

National's motive in promoting the idea of an employee-owned Weirton is not wholly altruistic, critics say.

"My personal opinion is that the reason for this whole froth is for National Steel to avoid the costs associated with a shutdown," said Staughton Lynd, senior attorney for Northeast Ohio Legal Services, a National Legal Services Corp. unit in nearby Youngstown. Lynd, a longtime activist in civil rights and antiwar movements, is representing some Weirton steelworkers in a legal challenge to the pending takeover. "If anybody thinks they did this for their Boy Scout interest in the welfare of Weirton, they're off their rocker," he said.

Barron's magazine, in a critique of the deal, said the Weirton plant is more costly dead than alive from National's standpoint. "National would face liabilities of hundreds of millions of dollars for early pensions and income supplements if it tried to liquidate the operation," the magazine said. "If the proposed worker-owned concern survives just five years . . . it can forget about them. So National is willing to part with hundreds of millions in assets (as valued by its bookkeepers) for not very much immediate cash."

THE WORKERS RESPOND

"We get paid to tell people what will work and what will not work," said Ronald M. Bancroft, a principal in the consulting firm of McKinsey & Co., Inc. For a $500,000 fee, McKinsey surveyed the prospects for an independent Weirton Steel and concluded that it could indeed work—if the employee-owners would be willing to accept big concessions.

The McKinsey firm is not the only blue-chip adviser involved in launching Weirton Steel Corp. The New York investment banking house of Lazard Freres & Co. and the New York law firm of Willkie Farr & Gallagher have provided financial, negotiating and other services—for fees of about $300,000 and $900,000 through May 31.

The Weirton Joint Study Committee, the labor-management unit that was set up to plan the takeover, has rolled up expenses of more than $2 million so far and a deficit of more than $500,000. Before entering into takeover negotiations with National, the labor-management committee retained an actuarial consultant to estimate National's liabilities for pensions and other benefits if it shut the plant.

According to union president Bish, the study showed that National's current pension and benefits liabilities totaled $452 million and its current pension fund assets totaled $350 million. But in the event of a shutdown, the study showed, National's liabilities would balloon to $770 million because of the added costs of early pension payments, severance payments and other items.

These numbers gave the Weirton team some negotiating room in the talks with National, which clearly wanted to avoid the shutdown costs.

"Definitely they did not want to shut it down and assume the pension liabilities," Bish said. Under the terms of the proposed deal, he said, "they did not get out of any pension liabilities."

If the employee-owned plant folded after five years, it would be liable for newly earned pension benefits. But National will continue to be responsible for its current pension liabilities, including its share of pension benefits for future retirees, Bish said. A worker "will never lose anything that he would have now with National," he said.

On Jan. 31, National announced a $286 million loss in the fourth quarter of 1982 in connection with the proposed sale of the Weirton plant, after including the money it would receive from the sale. More than half the total loss, $151 million, represented employment-related costs such as projected pension payments, with the rest covering projected losses on assets and other items.

Then on July 19, National said in its report on the second quarter that it was adding another undefined $100 million to its projected loss on the Weirton sale. The company added that it did not think any further writeoffs would be necessary. The announcement of the additional $100 million loss suggested that the Weirton labor-management unit, through its outside negotiating team, had succeeded in getting National Steel to assume heavier pension and benefits liabilities than the company originally had thought it would.

The final terms of the deal, including the workers' concession package, will be set forth in the election document. The long-delayed election is scheduled to be held three weeks after the document has been issued.

Most workers seem willing to accept cuts in pay and benefits as the price they must pay to start the new company.

Estimates of the total cuts range from a high of 32 per cent—the target figure suggested by the McKinsey study—to a low of about 14 per cent in reduced take-home pay. A figure in the lower range seems likely to show up in the final concessions package.

"A big part of the difference is that they got a more favorable settlement from National" than was originally expected, said McKinsey's Bancroft.

"I don't care about the cuts," said Richard Pernell, a 35-year-old shop steward and third-generation Weirton worker. He said he hoped that by taking the cuts, those still working would help make it possible for laid-off employees to be recalled.

"My people are worried about the management," he said. "Are we going to have the right personnel to make this thing work?" He added, "I wouldn't give 2 cents" for the current management team.

Carl Ferguson, a 49-year-old steward, said of the concessions package: "Pensions are the priority. Pensions have always been the priority." He said he was satisfied with the way pension rights were being protected in the contract negotiations.

But not everyone thinks the concessions, like doses of bitter medicine, must be swallowed.

"I'm voting against every proposal and every motion to take a nickel away from the people who work in this mill," said "Big Mike" Hrabovsky, a 43-year-old steward who came out third in a threeway race for the union presidency last year. He is a leader of a dissident organization that is challenging the term of the takeover.

The big issue is pensions. Hrabovsky said many veteran workers—himself included—stand to lose early pension benefits and severance payments for which National should be held liable under the current contract.

Under the takeover proposal, National would stand behind these special pension commitments for five years. The new company then would be on its own, and if it failed in its sixth year, these employees could be left in the cold.

The concession package ("fishheads and rice") and other aspects of the deal also drew angry comments from Hrabovsky, a militant labor man who derides the Weirton independent group as a "scab union."

The new Weirton company will eventually cut the work force just as National Steel planned to do, Hrabovsky said. If this is the best deal the workers can get, he said, they might as well let the plant close. "What good does it do to the people in this town to tell the world, 'Look at me, I'm working.'" Nevertheless, he conceded that the vote would be heavily in favor of the plan.

A similar challenge to the concessions package was brought by 181 Weirton employees who said they stood to lose pension benefits if the new company should collapse. John R. Spon Jr., a Steubenville (Ohio) attorney who represents these workers, said of the takeover deal:

"It raises the fundamental question of whether an employer can, down through the years, offer pensions and supplemental pensions . . . and then threaten a shutdown of the mill . . . and then say they will not shut the mill if the employees buy it and agree to amend the pension plan."

After an initial setback in U.S. District Court for the District of West Virginia, Spon is preparing an appeal to the U.S. Court of Appeals for the 4th Circuit. He said his clients were prepared to take their case to the Supreme Court if necessary. "What other choice do they have?" he asked. "Who's going to hire a 51-year-old unemployed steelworker?"

These legal challenges may not prevail in court, but so long as they are pending, the start-up of the new company could be delayed.

"National is not going to complete this transaction until those lawsuits are settled," said Eugene J. Keilin, senior vice president of Lazard Freres, which participated in the negotiations with National Steel on behalf of the Weirton labor-management group. Keilin said National could get "the worst of both worlds" if it lost the pension cases because it would be selling its Weirton assets at a knockdown price while still being held liable for steep pension and other benefit bills.

Keilin said of National: "They are wagering that the company is going to survive. Obviously they never would have agreed with this [five-year] safety net if they thought it wouldn't."

Additional suits may be filed on the question of whether laid-off workers will be allowed to vote on the takeover package. David L. Robertson, counsel to the steel union, said if the laid-off workers were not allowed to vote, they would probably sue, and if they were allowed to vote, some workers might sue. "Either way, we get to go to federal court," he said. "It's a question of who drives us there."

EMPLOYEE-OWNERS

As the Weirton case amply demonstrates, it takes more than a signature on the dotted line to swing a takeover deal by employees of a sinking plant. This will be the biggest, and probably most convoluted, organization yet of an employee stock ownership plan, or ESOP.

There are about 5,000 ESOP plans in effect nationwide, says the Employee Stock Ownership Plan Association, but most are modest profit-sharing plans in which workers hold a small amount of stock. Workers probably hold majority control of the stock in only a few hundred of these plans, the association believes.

"It's taken longer than we expected," said Keilin of Lazard Freres. There were "so many turns in the road that had to be negotiated slowly. Most ESOPs either hold a small percentage of the company's stock or were the creation of lawyers and consultants." In this case, investment advisers were involved from the start because of the capital needs of the upstart company.

"This thing could have fallen apart 50 different times," said McKinsey's Bancroft.

"It's an enormous project," said union counsel Robertson. "No one had any realistic time frame."

The viability of the plan is based on the assumption that Weirton's employees would never agree to make substantial concessions to National Steel on wages and benefits but would go along with cuts if they held majority ownership in the plant. The ESOP mechanism, as established and embellished by Congress, also lets employee-owned firms use special tax breaks that could not be used by National Steel.

"The big thing about an ESOP is that it allows individuals access to capital that they couldn't otherwise get," said Corey M. Rosen, executive director of the National Center for Employee Ownership in Arlington, Va. He offered this checklist for workers who may try to assume ownership of a failing company:

Time. Employees need at least six months to a year to plan a successful takeover while the company is still operating. "Once a company closes," he said, "it loses its customers very quickly."

Potential profits. If the company is not making money now, there ought to be a reasonable expectation of reasonable profits in the future. Definitions of "reasonable" vary; a given percentage may be "not good enough for a conglomerate" but adequate for employees, who will at least keep their jobs.

Organization. Some sort of leadership structure has to be put together to keep the takeover process rolling.

Financing. With the availability of employee stock ownership plans and other mechanisms with built-in tax breaks, financing is "not so much of a barrier as it used to be."

Cooperation. "You have to have a willing seller."

Rosen said an ESOP is an especially handy device for carrying out a so-called leverage buyout such as the Weirton deal, in which money is borrowed to buy a company with the loan to be paid back from the future revenues of the acquired firm. When the ESOP pays back such a loan, he explained, both the interest and principal can be deducted from taxable income. Thus the entire amont of the loan is repaid in pre-tax dollars.

"The future earning stream is really what the banks are looking for," said Luis Granados, managing director of the ESOP Association. And as for the borrowing company, it gets the ESOP tax breaks.

The current tax advantages are spelled out in a paper by Jeffrey G. Gates, a Senate Finance Committee minority staff member. The paper notes that a company can pay up to 25 percent of its annual payroll into an ESOP to repay the principal of a loan and take a tax deduction, while there is no limit on the tax-deductible amount that can be spent on interest payments. The various ESOP provisions have been used by companies to raise capital, engineer takeovers and fend off takeovers, not simply to give employees a piece of the ownership.

"Organizing a buyout can be a very complicated, difficult process, and the necessary resources for it may not be available in many situations," said the Conference Board, a business research group. "In addition, the parent company may be able to do better from a tax write-off of the building and land than by selling the plant to the employees."

Nevertheless, the report said, just because a parent firm opts to close a plant does not necessarily mean the plant is a sure loser. The company may simply figure it could make more money elsewhere, the report observed, whereas local managers and workers may be satisfied with a lower profit potential if their jobs could be saved. The report described the Weirton takeover as a case in point.

Under the agreement in principle between National Steel and the Weirton joint committee as announced in March, the new Weirton Steel Corp. will buy the Weirton plant for $66 million, or 22 per cent of its listed value of $300 million. No principal payments will be due until the sixth year, and no interest payments will be due until the new company achieves a net worth of $100 million. The interest rate is set at 10 per cent.

Weirton's current assets—such as raw materials, steel inventory and accounts receivable—will be purchased under a separate provision. The amount was not listed in the tentative agreement; the Conference Board report lists a figure of $300 million, with $75 million due up fron t and the balance spread over 28 years. The new firm will also assume some of Weirton's debts, with details to be spelled out in the election package.

Even though the blue-collar workers will hold about 70 per cent of the company's stock—with white-collar employees getting the rest—this will not be a worker-run enterprise. Sink or swim, the new company will operate pretty much as any other.

Employees will have no direct voice in the running of the plant. Control will be vested in the 10-member board of directors. The management and labor camps will select two directors each; the balance of power will be held by the six outside directors, all with business backgrounds, who were named by the joint committee from a list drawn up by an executive recruiting firm.

The employees will be workers by day and owners by night, as the setup is generally described here. This is the only way the fledgling company could gain credibility when it approaches bankers for investment capital, the parties agreed.

"It's like having the sailors come on deck to decide which way to turn the aircraft carrier," said Keilin of Lazard Freres. "You couldn't do it that way."

WHAT THE FUTURE HOLDS

It remains to be seen whether the new company will make it. Weirton has always prided itself on the quality of its steel products—with tinplate used for cans it's lead item—but the can market has been shrinking steadily under competition from aluminum. "There's nothing wrong with being in a good, solid declining market if you've got a good position in it," Bancroft said.

One thing that has changed is that the union is in an unusual position in negotiating wage and benefit scales. In the old days, said union president Bish, the union simply tried to get as much as it could. "Now we're looking at the costs of things," he said. "We're negotiating with us."

Weirton's traditionally top-of-the-line labor costs will have to be held in line to give the company a chance, industry analysts say.

"More power to them if they can pull it off," said Charles A. Bradford, a vice president at Merrill Lynch, Pierce, Fenner & Smith Inc. The key factor will be the cost of labor, he said. "Nothing will help if you don't get the wages down."

As the extended negotiations here have shown, there are limits to the concessions that the workers will make. Union counsel Robertson suggested that Weirton would try to get its costs in line with other American steel firms, not beneath them. "We're not doing this to start a price war because we'd get wiped out in a year," he said.

John Spon, attorney for the dissident workers, predicted a bleak future. The new company will be a "grossly insolvent" entry in a declining smokestack industry, he said, speculating that National Steel may place just enough orders with Weirton during the first five years to keep the new company alive and avert its own pension and benefits liabilities.

"Lots of people whose businesses are in trouble are going to think, if Weirton gets off the ground, that ESOPs are the answer," said Keilin of Lazard Freres. But in practice, he said, "I think it will be explored in lots of cases and done in relatively few."

Richard Prosten, a pensions and investments analyst at the AFL-CIO's industrial union department, said of ESOPs: "The only people who come in with these ideas are companies that are in trouble. I've never heard of a healthy company of any size that offered the company to its employees." There is nothing wrong with the ESOP concept, he said, but it can be used "to bilk employees out of their future security. It's not a substitute for a real pension plan."

Meanwhile, there are about 2,500 laid-off workers wondering whether their jobs at the Weirton plant will return once the new firm gets rolling. Redline, the just-retired Weirton Steel Division president, fanned these hopes while campaigning for the chief executive officer's position.

Joseph M. Mayernick, a laid-off employee at Weirton, is among those who doubt the plant will ever regain its glory days. Mayernick is now executive director of a church-sponsored group called Change Inc., which offers job-search and counseling services to laid-off steelworkers. "Most of them are here sitting and waiting for ESOP," Mayernick said.

"We have to change," he said. "Things that have gone on for 70 years in this town have to change." He said he would ask a worker who might be No. 825 on the recall list and whose unemployment and supplemental benefits have now run out: "Can you afford to lose your house, your cars, everything you've worked for, while you're waiting? What if they only call back 824?"

The trouble is, there is not much else to look for in Weirton. And at the Weirton Bus Terminal, where steelworkers drop in for coffee before entering the plant across the street, proprietor Louis G. Fekaris said many who left town later came back. Some ended up in tent cities in Houston, he said, and then their parents came to Fekaris's terminal—which also serves as the local Western Union agency—and wired money for the trip home.

People here want to believe that the employee-owned company will work—which may be a precondition to the company's having any chance at all. William E. Freeze, general manager of the Steel Works Community Federal Credit Union, spoke hopefully about the coming "turnaround," saying: "It looks like this is going to be our biggest and best year. I think everybody is confident that the ESOP plan is going to be approved, and everybody will be working for something that they're sharing in for the profits." In the meantime, he said, the credit union at least is still in the black after cutting its own expenses and is being patient about overdue loans from laid-off members.

Weirton had a good thing going and doesn't want to lose it. As Sen. Long said in his speech here, "The Weirton community's all-out support for the ESOP reminds me of that great American philosopher, Mae West, who once said, 'Too much of anything is simply marvelous.' "

At union headquarters, a secretary said laid-off workers call in to get their number on the recall list. "I had one call in this morning who was two thousand three hundred and something," she said. "I had another one call in who was No. 6."

"If I had five years [seniority] or less, I'd get out," she said. "But I wouldn't tell them that for the world. If they still have hope, more power to them."

Mr. RANDOLPH. Mr. President, will the able Senator yield?

Mr. LONG. I yield.

Mr. RANDOLPH. Mr. President, the approval of the Employee Stock Option Plan by the employees of Weirton Steel is a very important action. To reach the successful vote on September 23, required the cooperation of literally thousands of persons in the Weirton community as well as the workers in the steel plant, formerly the Weirton Steel Division of National Steel Corp., now the Weirton Steel Co.

The families and the men and women of that community have come together in a positive commitment to continued employment, and the special quality of life enjoyed by the close-knit Weirton citizens. The plant will continue to produce the essential products which are necessary for many steel consumers and add to the economic well being of that area of West Virginia and parts of Ohio and Pennsylvania.

I commend my colleagues, Senator BYRD, with whom I have worked, as well as many others, and I thank the Senator from Louisiana (Mr. LONG) for his thoughtfulness in bringing this matter to the attention of the Senate.

Mr. LONG. Mr. President, both Senators from West Virginia, Mr. RANDOLPH and Mr. BYRD, played a major part in helping to save the jobs of these workers.

In my judgment, what was done here is a good indication of what can be done where a plant is no longer competitive particularly because a line of the product is no longer being produced and because the plant is growing old and because the labor wage rates are out of line compared with conditions around the world. If other workers are willing to make a similar sacrifice, I hope management will be willing to meet them half way in order to save this important industry.

Mr. RANDOLPH. Mr. President, I thank my colleagues again, because this action was thought through carefully and brought to fruition by tenacity.

The people in management and the people in the labor force and the people of that area which is vital to three States—notably Weirton, W. Va.—are leading the way, as the Senator from Louisiana has indicated, in an accomplishment that I hope will provide a pattern for continued production of steel in this country. I repeat that steel is one of the basic industries of our Nation, and the Weirton workers and community, when faced with the possible reduction in capacity and employment at their steel plant, met the initial hurdles and approved the ESOP. We shall continue to stand together as Weirton Steel moves forward to meet the challenges facing this creative plan.

Mr. LONG. I thank the Senator.

STRATEGIC ARMS REDUCTION TALKS

Mr. BOREN. Mr. President, yesterday's edition of the Washington Post carried a headline "Reagan Sends Team Back to Arms Talks With New Proposals." Tuesday, I was privileged to attend a meeting at the White House with some 20 other Members of Congress at which the President outlined the nature of the proposals which he has directed our negotiators to advance at the Strategic Arms Reduction Talks.

The President's proposals demonstrate clearly and forcefully that the United States is acting in good faith to reach an agreement with the Soviets which is balanced and fair to both sides. If the Soviets fail to give serious consideration to these proposals, it will be an admission to the rest of the world that the Soviet Union is not serious about its professed desire to reduce the dangers of nuclear war.

In these proposals, the President has walked the extra mile. He has included the variable build-down proposal among the items which will be presented. He also made it clear that he is willing to consider combining the bomber and the throw weight issues. Failure to consider the American bomber advantage and the Soviet throw weight advantage simultaneously has proved a stumbling block in past negotiations.

In making these decisions the President has maintained a real working partnership with Congress. The approach has also been truly bipartisan.

I am also especially pleased that the President has named my fellow Okla-

homan, R. James Woolsey, to the negotiating team. Jim Woolsey, who has served as Undersecretary of the Navy and as counsel to the Senate Armed Services Committee when it was chaired by Senator JOHN STENNIS, is an able addition to the negotiating team and makes it clear that the President is truly following a bipartisan approach.

When the meeting at the White House reached its conclusion, the President received an unusual spontaneous round of applause from the Members of Congress who were present. The President deserved that applause. It should demonstrate to the Soviet Union that the President's negotiators return to Geneva, not with the proposal of just one party or faction, but with an American proposal which has broad bipartisan support. It is a fair and realistic proposal and the world will have a chance to judge real Soviet intentions by weighing their reaction to it. For the sake of the safety and security of all peoples of the world, let us hope and pray that the Soviets will respond positively.

TOLERANCE AND TRUTH

Mr. BOREN. Mr. President, when I am asked by a constituent to define what our Nation most needs, I answer by saying that we need to rebuild our spirit of community, that we need to get into the same boat together and pull together as Americans. We need the kind of spiritual revival that will enable us to see that we are indeed brothers and sisters, part of one human family, mutually deserving of respect and consideration.

All too often, we concentrate upon our differences. We emphasize our economic, geographical, political, or religious differences instead of focusing upon the values which we all share as Americans.

There are too many in our society who are adept at name calling, at building stereotypes which make it harder to achieve tolerance and mutual respect. We have too many wedge drivers in our midst and not enough bridge builders.

Some bridge building took place this week that deserves our recognition and appreciation. Our colleague, Senator TED KENNEDY of Massachusetts, appeared at Liberty Baptist College in Lynchburg, Va., to speak to the faculty and student body. He was hosted by Dr. Jerry Falwell, founder of the college and leader of the Moral Majority.

What took place reflects credit upon all of the participants, especially upon Senator KENNEDY who had the courage to forthrightly present his views to an audience which has opposed him on most issues, upon Dr. Falwell who was a gracious host, and upon the students at Liberty Baptist College who gave Senator KENNEDY a respectfully and courteous hearing.

The entire event provides for all of us a glimpse into the true greatness of America. It displayed the American spirit at its best. Let us hope that each of us will remain forever dedicated to the proposition that "While I may disagree with what you have to say, I will fight for your right to say it."

Senator KENNEDY's speech eloquently expressed the need to preserve the separation of church and state and the maintenance of religious freedom. Our ancestors came to this country seeking religious freedom. It was not an absence of religious conviction that led them to seek religious freedom. On the contrary, it was because their religious convictions were central to their lives that they sought such freedom. They knew clearly the dangers of misusing the power of government to impose values which we cannot get others to voluntarily accept.

They knew from their own experience that today's majorities can become tomorrow's persecuted minorities. They knew that in diminishing the freedom of others, they were ultimately diminishing their own freedom. As Senator KENNEDY aptly stated, "Once we succumb to that temptation, we step onto a slippery slope where everyone's freedom is at risk." Historically, Baptists have been among the most diligent in guarding the separation of church and state for that reason. They were themselves the early targets of oppression.

Whether or not one agrees with Senator KENNEDY about partisan contemporary issues, his speech is well worth reading. He sets forth four basic principles which define the relationship between church and state. He says:

First we must respect the integrity of religion itself. Second, we must respect the independent judgments of conscience. Third, in applying religious values, we must respect the integrity of public debate. Fourth, we must respect the motives of those who exercise their right to disagree.

Surely every American, regardless of party or creed, will join in expressing the hope outlined in the last two paragraphs of Senator KENNEDY's speech:

I hope for an America where the power of faith will always burn brightly—but where no modern Inquisition of any kind will ever light the fires of fear, coercion or angry division.

I hope for an America where we can all contend freely and vigorously—but where we will treasure and guard those standards of civility which alone make this nation safe for both democracy and diversity. . . .

Mr. President, I again congratulate our colleague Senator KENNEDY, Dr. Falwell, and the students at Liberty Baptist College for the manner in which they approached this unusual occasion. Let us resolve as Americans to drive fewer wedges to push us apart from one another and commit ourselves to building more bridges to bring us together.

I ask that Senator KENNEDY's remarks be printed in the RECORD.

The remarks follow:

[From the Washington Post, Oct. 5, 1983]

TOLERANCE AND TRUTH

(Sen. Kennedy at Jerry Falwell's dinner table? The senator accepted an invitation to speak at Liberty Baptist College Monday night. We excerpt his speech here.)

A generation ago, a presidential candidate had to prove his independence of undue religious influence in public life—and he had to do so partly at the insistence of evangelical Protestants. John Kennedy said at that time: "I believe in an America where there is no [religious] bloc voting of any kind." Only 20 years later another candidate was appealing to an evangelical meeting as a religious bloc. Ronald Reagan said to 15,000 evangelicals at the Roundtable in Dallas: "I know that you can't endorse me. I want you to know that I endorse you and what you are doing."

To many Americans, that pledge was a sign and a symbol of a dangerous breakdown in the separation of church and state. Yet this principle, as vital as it is, is not a simplistic and rigid command. . . .

The separation of church and state can sometimes be frustrating for women and men of deep religious faith. They may be tempted to misuse government in order to impose a value which they cannot persuade others to accept. But once we succumb to that temptation, we step onto a slippery slope where everyone's freedom is at risk. Those who favor censorship should recall that one of the first books ever burned was the first English translation of the Bible. As President Eisenhower warned in 1953, "Don't join the bookburners. . . . The right to say ideas, the right to record them, and the right to have them accessible to others is unquestioned—or this isn't America." And if that right is denied, at some future day the torch can be turned against any other book or any other belief. Let us never forget: today's Moral Majority could become tomorrow's persecuted minority.

The danger is as great now as when the Founders of the nation first saw it. In 1789, their fear was of factional strife among dozens of denominations. Today there are hundreds—and perhaps thousands of faiths—and millions of Americans who are outside any fold. Pluralism obviously does not and cannot mean that all of them are right; but it does mean that there are areas where government cannot and should not decide what it is wrong to believe, to think, to read and to do.

The real transgression occurs when religion wants government to tell citizens how to live uniquely personal parts of their lives. The failure of Prohibition proves the futility of such an attempt when a majority or even a substantial minority happens to disagree. Some questions may be inherently individual ones or people may be sharply divided about whether they are. In such cases—cases like Prohibition and abortion—the proper role of religion is to appeal to the conscience of the individual, not the coercive power of the state.

But there are other questions which are inherently public in nature, which we must decide together as a nation, and where religion and religious values can and should speak to our common conscience. The issue of nuclear war is a compelling example. It is

a moral issue; it will be decided by government, not by each individual; and to give any effect to the moral values of their creed, people of faith must speak directly about public policy. The Catholic bishops and the Rev. Billy Graham have every right to stand for the nuclear freeze—and Dr. Falwell has every right to stand against it.

There must be standards for the exercise of such leadership—so that the obligations of belief will not be debased into an opportunity for mere political advantage. But to take a stand at all when a question is both properly public and truly moral is to stand in a long and honored tradition. Many of the great evangelists of the 1800s were in the forefront of the abolitionist movement. In our own time, the Rev. William Sloane Coffin challenged the morality of the war in Vietnam. Pope John XXIII renewed the Gospel's call to social justice. And Dr. Martin Luther King, Jr., who was the greatest prophet of this century, awakened our national conscience to the evil of racial segregation.

President Kennedy, who said that "No religious body should seek to impose its will," also urged religious leaders to state their views and give their commitment when the public debate involved ethical issues. In drawing the line between imposed will and essential witness, we keep church and state separate—and at the same time, we recognize that the City of God should speak to the civic duties of men and women.

There are four tests which draw the line and define the difference.

First, we must respect the integrity of religion itself.

People of conscience should be careful how they deal in the word of their Lord. In our own history, religion has been falsely invoked to sanction prejudice and even slavery, to condemn labor unions and public spending for the poor. I believe that the prophecy—"the poor you have always with you"—is an indictment, not a commandment. I respectfully suggest that God has taken no position on the Department of Education—and that a balanced budget constitutional amendment is a matter for economic analysis, not heavenly appeals.

Religious values cannot be excluded from every public issue—but not every public issue involves religious values. . . .

Second, we must respect the independent judgments of conscience.

Those who proclaim moral and religious values can offer counsel, but they should not casually treat a position on a public issue as a test of fealty to faith. Just as I disagree with the Catholic bishops on tuition tax credits—which I oppose—so other Catholics can and do disagree with the hierarchy, on the basis of honest conviction, on the question of the nuclear freeze.

Thus, the controversy about the Moral Majority arises not only from its views, but from its name—which, in the minds of many, seems to imply that only one set of public policies is moral—and only one majority can possibly be right. . . .

Let me offer another illustration. Dr. Falwell has written: "To stand against Israel is to stand against God." Now, there is no one in the Senate who has stood more firmly for Israel than I have. Yet I do not doubt the faith of those on the other side. Their error is not one of religion, but of policy—and I hope to persuade them that they are wrong in terms of both America's interests and the justice of Israel's cause.

Respect for conscience is most in jeopardy—and the harmony of our diverse society is most at risk—when we reestablish, directly or indirectly, a religious test for public office. That relic of the colonial era, which is specifically prohibited in the Constitution, has reappeared in recent years. After the last election, the Rev. James Robison warned President Reagan not to surround himself, as presidents before him had, "with the counsel of the ungodly." I utterly reject any such standard for any position anywhere in public service. Two centuries ago, the victims were Catholics and Jews. In the 1980s, the victims could be atheists; in some other day or decade, they could be the members of the Thomas Road Baptist Church. Indeed, in 1976 I regarded it as unworthy and un-American when some people said or hinted that Jimmy Carter should not be president because he was a born-again Christian.

We must never judge the fitness of individuals to govern on the basis of where they worship, whether they follow Christ or Moses, whether they are called "born again" or "ungodly." Where it is right to apply moral values to public life, let all of us avoid the temptation to be self-righteous and absolutely certain of ourselves. And if that temptation ever comes, let us recall Winston Churchill's humbling description of an intolerant and inflexible colleague: "There but for the grace of God—goes God."

Third, in applying religious values, we must respect the integrity of public debate.

In that debate, faith is no substitute for facts. Critics may oppose the nuclear freeze for what they regard as moral reasons. They have every right to argue that any negotiation with the Soviets is wrong—or that any accommodation with them sanctions their crimes—or that no agreement can be good enough and therefore all agreements only increase the chance of war. I do not believe that, but it surely does not violate the standard of fair public debate to say it.

What does violate that standard, what the opponents of the nuclear freeze have no right to do, is to assume that they are infallible—and so any argument against the freeze will do, whether it is false or true.

The nuclear freeze proposal is not unilateral, but bilateral—with equal restraints on the United States and the Soviet Union.

The nuclear freeze does not require that we trust the Russians, but demands full and effective verification.

The nuclear freeze does not concede a Soviet lead in nuclear weapons, but recognizes that human beings in each great power already have in their fallible hands the overwhelming capacity to remake into a pile of radioactive rubble the earth which God has made. . . .

I am perfectly prepared to debate the nuclear freeze on policy grounds, or moral ones. But we should not be forced to discuss phantom issues or false charges. They only deflect us from the urgent task of deciding how best to prevent a planet divided from becoming a planet destroyed. . . .

Fourth and finally, we must respect the motives of those who exercise their right to disagree.

We sorely test our ability to live together if we too readily question each other's integrity. It may be harder to restrain our feelings when moral principles are at stake—for they go to the deepest wellsprings of our being. But the more our feelings diverge, the more deeply felt they are, the greater is our obligation to grant the sincerity and essential decency of our fellow citizens on the other side.

Those who favor the Equal Rights Amendment are not "anti-family" or "blasphemers" and their purpose is not "an attack on the Bible." Rather we believe this is the best way to fix in our national firmament the ideal that not only all men, but all people are created equal. Indeed, my mother—who strongly favors ERA—would be surprised to hear that she is anti-family. For my part, I think of the amendment's opponents as wrong on the issue, but not as lacking in moral character.

I could multiply the instances of name-calling, sometimes on both sides. Dr. Falwell is not a "warmonger"—and "liberal clergymen" are not, as the Moral Majority suggested in a recent letter, equivalent to "Soviet sympathizers." The critics of official prayer in public schools are not "Pharisees", many of them are both civil libertarians and believers who think that families should pray more at home with their children and attend church and synagogue more faithfully. And people are not "sexist" because they stand against abortion; they are not "murderers" because they believe in free choice. Nor does it help anyone's cause to shout such epithets—or try to shout a speaker down—which is what happened last April when Dr. Falwell was hissed and heckled at Harvard. So I am doubly grateful for your courtesy here today. That was not Harvard's finest hour, but I am happy to say that the loudest applause from the Harvard audience came in defense of Dr. Falwell's right to speak.

In short, I hope for an America where neither fundamentalist nor humanist will be a dirty word, but a fair description of the different ways in which people of good will look at life and into their own souls.

I hope for an America where no President, no public official, and no individual will ever be deemed a greater or lesser American because of religious doubt—or religious belief.

I hope for an America where the power of faith will always burn brightly—but where no modern Inquisition of any kind will ever light the fires of fear, coercion or angry division.

I hope for an America where we can all contend freely and vigorously—but where we will treasure and guard those standards of civility which alone make this nation safe for both democracy and diversity.

OFFICE OF PERSONNEL MANAGEMENT PROPOSED REGULATIONS

Mr. STEVENS. Mr. President, on October 15, the bar on implementation of regulations proposed by the Office of Personnel Management involving pay for performance and RIF's will expire. The Subcommittee on Civil Service, Post Office and General Services, which I chair, has been receiving frantic phone calls and visits from concerned Federal employees, and their representatives, who fear that at midnight on October 15 these regulations will suddenly become law.

Our subcommittee has held four hearings, drafted numerous alternatives, and conducted an untold number of meetings to resolve the impasse over these regulations. I have personally met with officials of the administration to attempt to reconcile our po-

sitions. It was my understanding that we were very close to an agreement and no action to bar the OPM proposed regulations would be required.

We are continuing to negotiate with the Office of Personnel Management to modify these regulations so that when they are implemented our subcommittee's objectives—maximum employee participation, fairness, and viable protections against abuse—will be achieved. The Congress, however, will not be in session when October 15 arrives. If final regulations are promulgated, on that date, that fail to meet our objectives, an amendment to bar the implementation of the regulations will be offered and I will support such an amendment.

ANGEL DUST

Mrs. HAWKINS. Mr. President, there is a new drug in town that may replace marihuana as the high schoolers' most popular abused substance. It is called Phencyclidine, or PCP, and it is a real killer. Its street name is angel dust—I do not know whether it gets its name because it gives you a heavenly high or because it turns your brain to dust or because it sends you to the angels before your time. Drug mythology has it that PCP came from the west coast in the 1970's in the saddlebags of the Pagans motorcycle gang. Today, the devils who are making it and selling it to our children are legion.

One reason PCP may have not received the fame—or infamy—it deserves is that its production and distribution are not linked to organized crime or international smuggling. It can be produced in a backyard garbage can with a couple of industrial chemicals, petroleum, cyanide, and parsley—a real witches' brew. One of the most monstrous effects it has on the body is an uncontrollable violence coupled with an insensitivity to pain. Drug abusers "dusted" with PCP have been known to gouge their own eyes out and not feel a thing. An armed angel dust user is deadly.

I do not want to imply that one illegal drug is more dangerous or deadly than another, but there are gradations of toxicity. And angel dust seems to be one of the most destructive evils around. Mr. President, I request permission to enter into the RECORD at this point an article from the Laurel Leader on angel dust.

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

[From the Laurel (Md.) Leader, July 28, 1983]

PCP USE SEEN ON RISE LOCALLY

(By Jonathan Lyons)

Veterans of the county courts still talk about the time a prisoner tore open his handcuffs, shattering his wrists in the process.

He was, they say, high on phencyclidine and didn't feel a thing.

While that spectacular level of violence hasn't appeared lately, local, state and federal officials fear they may be facing a dramatic rise in the use of the drug—known as PCP or Angel Dust.

One evidence of this increased use is a clear increase in the number of clandestine laboratories uncovered by area police.

Last year, federal agents found eight PCP labs across the Baltimore metropolitan region. Already this year, Howard County alone has accounted for two more major operations and three potential labs.

Like cancer on the aging artery that is Route 1, PCP factories have spread from Baltimore south through Washington to Loudoun County, Virginia.

"This corridor is now the leading producer of the drug (perhaps in the nation)," says George Brosan, special agent in charge of the U.S. Drug Enforcement Administration's Baltimore office.

People have made phencyclidine in lonely farmhouses and in crowded apartment complexes. One manufacturer even produced it in the back of a truck, circling the Washington beltway, Brosan said.

And North Laurel in Howard County, with its rural spots and its relatively small police force, has become a favorite site, he and other officials suspect.

CAME FROM THE WEST

Local legend says the secret of PCP came from the West Coast, in the mid-1970s, tucked in the saddlebags of two brothers from the Pagans motorcycle gang.

Police officers around the region tell variants of the same story. Most admit they've only heard it secondhand.

Still, there's plenty of evidence the Pagans, based locally in Prince George's County, have a hand in much of this lucrative cottage industry.

Street dealers seeking top dollar for their wares often bill their dope as the product of a special Pagan recipe. And big-time dealers such as Johnny Ray Goff have bragged to police of their gang connections. Goff was arrested in Howard County in October 1982 with $6 million worth of PCP.

"There's no doubt the gang looks at PCP as a real money-maker," said a county officer who makes his living chasing large-scale producers. And federal drug enforcement officials have one agent assigned full-tme to "major in motorcycle gangs."

Other explanations for the drug's regional popularity include the availability of chemicals in the suburban corridor between Washington and Baltimore, the confluence of many different—and competing—jurisdictions and a transient population.

But authorities admit these elements exist in dozens of metropolitan areas across the country.

"How do you explain methamphetamine in Philadelphia, LSD in California or PCP in Baltimore?" asks the DEA's Brosan.

"We don't know."

First synthesized more than 50 years ago, phencyclidine was patented in 1960 as an anesthetic. Surgeons hailed the new drug—nonbarbiturate and nonnarcotic—for its ability to block pain in conscious patients.

It was soon rejected, however, when a pattern of unpredictable side effects—ranging from hallucination to seizures and muscle rigidity—emerged. Since then, it has been used as an animal tranquilizer, particularly for apes and other primates.

Phencyclidine first appeared on the streets of San Francisco around 1967, according to the National Institute on Drug Abuse, a federal agency. Called Peace Pill, it has since picked up numerous tags.

Rocket Fuel. Goon. LBJ. Mist. All are names for the powdery crystal brewed in garbage cans, then dissolved and sprayed on institutional-size cans of dried parsley.

A DRUG FOR ALL SEASONS

PCP, cheap to make and unpredictable when taken, has commonly been sold on the streets as other more desirable substances.

Analyses of chemicals billed as hallucinogens such as mescaline and psyilocybin or as THC—the synthesized active ingredient in marijuana—often reveal nothing but Angel Dust in disguise.

But more and more, researchers are reporting an increased demand for PCP itself. And local drug counselors say the age at which kids are experimenting with the drug is dropping.

"PCP has become the drug of choice for kids who want to kill part of their lives," said one. "The brain takes a holiday from the body."

Recently, scientists have linked the drug to schizophrenia.

On the witness stand in March, drug informant George Parsons testified phencyclidine amplified his moods:

"Say if you were in a depressed mood, it would make you more depressed. If you were in an angry mood, it would make you more angry. If you were in a working mood—if you really loved your job—maybe it would make you do it better."

Martha Ellerton of the County Drug Abuse Center said that effect comes from the drug's properties as a "disassociative anesthetic. The brain is sedated but the body is not."

This, she says, accounts for the high level of violence among PCP users. The body simply doesn't feel the pain of a hand smashing through a plate glass window.

Fellow counselor Anne Gottschalk said her PCP clients have suffered from delusions of omnipotence and dwelt heavily on talk of suicide and death.

"They were also the most violent of my clients. I have never seen anything like it," she said.

One man told her he experienced "huge bursts of power. He would describe them as a surge of energy he could not control."

Another client, a woman, wore large dark sunglasses to each session. They hid a pair of scars beneath the eyes where, high on dust, she had carved her nails through the flesh.

The best treatment for a bad reaction, said a third counselor, requires shielding the user from outside stimuli. Also, orange or cranberry juice—with their high acid contents—help counteract the more base PCP.

While health professionals see high levels of violence among PCP users, law enforcement officials say they are encountering "more and more guns" in the hands of the producers, many of whom take the drug themselves.

During an April raid in North Laurel, one police officer had a loaded revolver placed at his head. The suspected dealer backed down and agents captured an alleged $2.4 million in PCP, a lab operation and two submachine guns.

Booby traps, built from hand grenades or homemade explosives are sometimes used to protect labs from outsiders. One setup was rigged to power lines to electrocute intruders. More and more cookers are armed.

So far, police say, the violence has been aimed at rival outfits or suspected informants, but local authorities are taking no chances. All lab busts involve heavily armed SWAT team.

"Someone high on PCP and armed to the teeth could be a lot of trouble," concluded one officer.

DEMOCRATIC DOPE

By its very nature, PCP resists formation of the vast criminal empires associated with trafficking in heroin and cocaine.

There are no foreign supply centers to monopolize and no need for elaborate smuggling operations. Indeed, anyone with $2,000 and a few connections can assemble the necessary industrial chemicals and go into business for himself.

Thus the regional market, say local and federal officials, is filled with "freelance cookers" out to make some easy money. One agent said "sporadic attempts" by the Pagans to control the market have ended in failure.

Only once have detectives uncovered a large, highly structured organization producing PCP in the Baltimore-Washington corridor.

In 1979, DEA operatives closed down six labs and made dozens of arrests, mostly in Baltimore and Anne Arundel counties. Each lab, federal chemists estimate, was capable of treating 350 pounds of parsely with PCP.

Each outfit then farmed out the dope to two wholesalers, who diluted it. They then sold through 48 retailers and almost 100 street dealers.

Members of the gang were assigned specific duties. Some traveled up and down the eastern seaboard in search of chemicals. Others supervised the labs or managed the distribution.

"They showed a remarkable amount of discipline," said Brosan.

Federal drug experts say, as far as they know, no one has ever created another such tightly-knit organization to produce PCP. "There's too much of a demand and it's too cheap to make," said one.

The closest thing in Laurel may be the large-scale operation run by the Gray brothers—Jerome, Charles and Andrew—from their rented ranch house on Whiskey Bottom Road.

In December 1981, police nabbed the three with an estimated $40 million worth of PCP. Since then, detectives say they suspect drug traffic at the house has continued on and off.

This spring, police again raided the Gray household but turned up nothing. A third search several weeks ago turned up a small quantity of drugs.

Local police are reluctant to discuss the case, but a federal agent familiar with the operation said police delay in obtaining a warrant allowed "about three or four pounds" to leave the house.

Later, Baltimore County police raided a St. Denis house, confiscating what they suspect is much of the missing drug.

In general, police report more of a loose confederation or fraternity. A number of the major suspects nabbed in Howard and other counties are connected by blood or business.

"The Grays know the Goffs and the Goffs know the Ganims (suspected county dealers facing trial)," said Lt. Michael Chiuchiolo. Often, cookers will exchange chemicals or know-how, he added.

Hampering efforts toward organization is the high incidence of PCP use among the large manufacturers.

A Severn man, recently sentenced to 25 years for cooking PCP, couldn't remember his address and added extra digits to his telephone number. Others wear a continual blank stare that drug counselors say characterizes many PCP users.

Despite the enormous amounts of money to be made, PCP cookers have reportedly never developed sophisticated financial techniques capable of laundering their profits. Rather, they have been banished to an all-cash world, reduced to burying their money in so many underground caches, according to a police theory.

FIRE BURN AND CAULDRON BUBBLE

Chemistry abstracts and the U.S. Patent Office offer public files on phencyclidine, first marketed legally under the trade name Sernylan. But a simple, step-by-step "recipe" for the home chemist is also available on the street. Some reportedly cost a bundle.

When local police arrested Douglas Ganim last month in North Laurel, they found his formula written on the back of a business card.

Experts say most underground cookers use one of a handful of techniques. Extremely popular, they say, is the "two-bucket method."

That's what prosecution witness Norman Newby—a DEA chemist—said Johnny Ray Goff was doing, when police arrested him last October.

Another witness, informant George Parsons, described what he saw that night:

Goff begain pouring one chemical solution into another, using paint buckets for mixing bowls. "I watched these chemicals turn into a reddish solution. It was boiling a little bit."

Then Goff asked Parsons to add some petroleum to the reddish solution. Goff then "mixed it around a bit and looked at it. He proceeded to pour it in this bag of parsley."

That's when county police, who had been tipped off, burst through the doors with automatic weapons drawn.

Had they not been interrupted, Goff and his partners would have dried the parsely and packed it into film canisters—known as "tins." Each tin could then be sold for about $50.

Many of the industrial chemicals used in the process have distinctive pungent odors. Thus, PCP chefs are often forced into remote spots away from neighbors. Others have rigged elaborate exhaust systems to remove the fumes.

Besides the danger of discovery, cookers run the risk of explosion. Ether, a key ingredient, is extremely flammable. Even the smallest spark could ignite the chemicals, taking the lab, the chemists and anything in the vicinity with them.

Another danger comes from the poisons used in later stages. At one point, cyanide must be added to the mixture.

Recently, police seized four pounds of potassium cyanide—used in the state's gas chamber—during a raid in Savage. Police suspect the underground chemists arrested at the time thought they had obtained PCC, an illegal chemical just one step away from phencyclidine.

This could have led to the sale of hundreds of thousands of dosages laced with the lethal crystals, according to DEA chemists.

A source close to the case called the two men charged in the case, Richard A. Cook Jr., and Howard R. Martin Jr., "a pair of amateurs."

Such errors, the source continued, are likely to continue. "All the good cookers are locked up."

LOWLY PCP

Phencyclidine is not a status drug.

Even when it first came into common use in the 1960s, PCP users were shunned by other segments of the drug culture.

"People just didn't have a heck of a lot of respect for them," recalled one drug counslor. "They were looked at as lower than heroin addicts."

Today, that image has improved—but not much. A pair of Columbia teenagers say most of their friends have tried Angel Dust but quickly gave it up.

"Too dangerous," said one. "Too sick,"added the other.

For the most part, attitudes like these have kept the bulk of the heavy use out of the more affluent Columbia neighborhoods. Instead the bulk, of the heavy users, and the majority of the lab busts, are found along Route 1.

A composite—pieced together from interviews with lawyers, health professionals and cops—reveals this portrait:

Most are males and nearly all are white. They come from lower middle-class families, have little education and few job skills.

"They're rednecks," explained one lawyer who represents a number of them.

"They're not going anywhere. They're losers."

SENATOR HENRY JACKSON

Mr. LONG. Mr. President, with the death of our friend and colleague, Henry Jackson, the U.S. Senate, as well as the entire Nation, has suffered a terrible loss.

Henry Jackson and I served together in the U.S. Senate for more than 30 years. He was among the finest, most honorable, and intelligent persons I have ever known.

I was attending meetings with members of the European Economic Community when I heard the news of Senator Jackson's untimely death. In that setting, I could not help but reflect on the impact "Scoop" as we all called him, had on the entire world.

"Scoop's" love of freedom and of humanity extended beyond our borders. He sought to insure that all nations respected every individual's basic human right to leave a country where his religious or political beliefs are not respected. He shined the light of freedom in some of the darkest corners of this world.

Our friend, "Scoop" Jackson, brought the same vigor to issue of defending our own country and its bountiful resources. He had the honesty to recognize the world as it really is and the vision to work toward the goals to which we aspire.

Mr. President, "Scoop" Jackson was not only one of the giants of the free world. He was one of the rare Senators who made a special impact on this institution. Senators come and go, and we all have some kind of effect on the Senate.

It is unusual, however, to be correct in saying that the Senate was improved by the presence of a single Member. The Senate is a better, a more thoughtful, and a more caring body because "Scoop" Jackson served here for 31 years.

Mr. President, I want to extend my heartfelt sympathies to Mrs. Jackson and the members of the Jackson family. We thank them for graciously sharing their husband and father with us.

His death is a great personal loss to me and I know that he will be missed by all of us who have had the opportunity to work closely with him.

LECH WALESA RECEIVING THE NOBEL PEACE PRIZE

Mr. HATCH. Mr. President, yesterday Lech Walesa was awarded the Nobel Peace Prize for his valiant efforts on behalf of Polish workers. Walesa has been congratulated for this acknowledgement of his courageous struggle by President Reagan, Pope John Paul II, Poland's Cardinal Josef Glemp, Mr. Francis Blanchard, the director general of the International Labor Organization, and labor leaders around the world including AFL-CIO president, Lane Kirkland. Mr. President, as chairman of the Senate Labor and Human Resources Committee, I want to add my personal congratulations to Lech Walesa and to applaud his courage and his determination. As Michael Davis eloquently stated in the Washington Times this morning, Walesa climbed a wall of the Lenin Shipyard in Gdansk because "he was struggling for workers' rights in a quote 'workers' paradise.'"

In July of this year martial law was officially lifted in Poland. In practice, however, are workers any better off than they were before this cosmetic change? Unfortunately, according to a report by the U.S. Department of Labor, the picture is still extremely bleak for Polish workers. I know my colleagues are well aware of this tragic situation, but I want to highlight some of the specific comments noted in the report:

First, Solidarity is still outlawed in violation of ILO Convention 87, Article 4.

Second, Solidarity activists continue to suffer persecution. The report notes that although some Solidarity internees were granted limited amnesty, "a significant number are still imprisoned for 'criminal' or political offenses." Even those Solidarity internees who have been released from prison may still be subject to persecution such as being denied the right to return to their previous job or being arrested if they are unable to find a job within 3 months.

Third, working conditions are worse. The report notes that sick-leave pay has been drastically reduced and that the right of employers to impose a 56-hour workweek—with no overtime pay—has been reaffirmed by recent law.

Mr. President, I would like to summarize the other conclusions of the Department of Labor report concerning the Polish labor situation:

First, forced labor: worse.

Second, imposition of trade union monopolies: worse.

Third, prohibitions on federations and confederations: some progress.

Fourth, restrictions on strikes: no progress.

Fifth, restrictions on collective bargaining: little progress.

It is not pleasant to focus on the intolerable conditions that Polish workers endure every day. But this is what makes Lech Walesa such an extraordinary person. As he reportedly told a room of Polish steelworkers "You and I, we eat the same bread." Lech Walesa, an electrician and the son of a carpenter who died in a Nazi concentration camp, is a symbol of hope to the Polish people and an inspiration to all who cherish freedom. In my opinion, Walesa is such a powerful symbol because he is first and foremost "just another Polish worker." He exemplifies the dreams of thousands of Poles and he has gone one giant step further by standing up for workers' rights. Throughout his ordeal since marshal law was imposed nearly 2 years ago, Walesa has demonstrated tremendous inner strength. Although the Polish authorities have tried to discredit him, to paraphrase President Reagan their "brute force" is not winning over Walesa's "moral force." And that, it seems to me, is what the Nobel Peace Prize is all about.

Once again, Mr. President, I wish to offer my congratulations to Mr. Walesa. For the benefit of my colleagues, I ask unanimous consent that the Department of Labor report I referred to be printed in the RECORD as well as an article from the New York Times entitled "Labor Organizer With A Tall Dream" by John Kifner.

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

U.S. DEPARTMENT OF LABOR,
Washington, D.C., July 22, 1983.

POLAND: EFFECT OF THE END OF MARTIAL LAW ON TRADE UNION RIGHTS

1. DISSOLUTION OF SOLIDARITY: NO PROGRESS

Solidarity is still outlawed by administrative action, in violation of ILO Convention 87, Article 4. While the Polish Parliament has not yet made participation is Solidarity directly punishable by up to three years in jail, it is expected to discuss this possibility next week. Nevertheless, other changes introduced into the penal code on December 18, 1982 have the same effect: activities such as printing and distributing illegal printed matter, tapes and films, one of Solidarity's principal means of communication, may be punishable by imprisonment up to five years; in addition, creating a public unrest or disturbance can be punished by up to three years imprisonment.

2. PERSECUTION OF SOLIDARITY ACTIVISTS: NO PROGRESS

While the amnesty bill adopted by the Parliament on July 21, 1983 grants limited amnesty to certain categories of Solidarity internees, a significant number are still imprisoned for "criminal" or political offenses, most notably the top-ranking members of Solidarity. Underground activists may now be pardoned—but only if they confess to criminal offenses, hardly a fair deal. the bill also releases prisoners sentenced to less than three years, and cuts in half the sentences of those sentenced to more than three years. However, those released are effectively placed on probation for the next 2½ years: the full sentence will have to be served if the person is caught committing a similar offense during that time.

In addition, it is questionable whether those released are returning home to a persecution-free life; they may be still subject to repressive and discriminatory measures, in violation of ILO Convention III, such as the following:

a. Denial of the right to return to previous job, or demotion to a lower-skill and lower-paying job.

b. Harassment of strict supervision at the job and home, as exemplified by the case of Lech Walesa.

c. Requirement in certain key industries until December 31, 1985, established by the July 21, 1982 omnibus bill, that workers be forced to work for six months after filing a notice of intent to change jobs. This may violate ILO Convention 29 on forced labor.

d. The July 21, 1983 omnibus bill also provides the government with the authority to fire teachers, students, and administrators for breaching the public order.

e. Arrest of forced labor if unable to find employment within three months. (See no. 32 below)

3. FORCED LABOR: WORSE

The omnibus bill adopted on July 21, 1983 by the Polish Parliament tightens a recent law that conforms with Soviet legislation imposing forced labor, and which is applicable under Polish civilian rule. The original law, which was passed on October 26, 1982, requires compulsory registration of males between the ages of 18 and 45 who have been unemployed for three months. The government now has eliminated fines as a penalty for non-compliance with the law. Failure to register or to perform the assigned work on public projects is subject to up to one year of imprisonment involving forced labor. These provisions violate ILO Convention 29 on forced labor.

Between January and March, 1983, at least 8,000 persons were assigned to perform work under this law. The law is a particularly effective means of continuing control over former Solidarity members who were fired from their jobs or were refused permission to return to work.

IMPOSITION OF TRADE UNION MONOPOLIES: WORSE

On July 21, 1983 the Polish Parliament retracted the right to establish more than one union per factory beginning in 1985, which had been promised in a law adopted October 8, 1982. This is a real setback, for only one union per enterprise is currently permitted, in violation of ILO Convention 87, Article 3. The decision on whether more than one union can be established is now in the

hands of the Council of State, and is delayed until at least 1986. In addition, the October 1982 law imposed a single national federation on agriculturalists, which is still in effect.

5. PROHIBITION ON FEDERATIONS AND CONFEDERATIONS: SOME PROGRESS

While the ban on national federations was lifted on April 12, 1983, no confederations of trade unions are permitted until 1985, in violation of ILO Convention 87, Article 5.

6. RESTRICTIONS ON STRIKES: NO PROGRESS

None of the numerous and cumbersome restrictions on strike action have been eased. Among the ones most criticized by the International Labor Organization as violating Convention 87, Article 3, are:

a. Requirement for majority agreement in order for a union to legally declare a strike. Such a decision on how many votes are needed to strike should be the union's prerogative.

b. Prohibition of strikes in an excessively wide list of industries. At least eight of the industries are not considered "essential" by the ILO, and thus should have the right to strike.

c. Penal sanctions for an overly broad range of activities. Workers participating in anything from a protest action to an illegal strike may be imprisoned for up to one year.

7. RESTRICTIONS ON COLLECTIVE BARGAINING: LITTLE PROGRESS

While the prohibition on all collective bargaining was lifted with the April 12, 1983 law permitting the establishment of national federations, unions are still prohibited from determining the level and scope of collective bargaining, in violation of ILO Convention 98. The Polish Parliament passed legislation on October 8, 1982 that permits bargaining only at the national level and which must be applied to all workers in that industry.

8. CONDITIONS OF WORK: WORSE

On February 1, 1983 the Polish Parliament adopted a social security bill that reduces sick leave pay for the first three days of sick leave by 50 percent. This drastic measure may be used to further squeeze the salaries and morale of workers, while discouraging resort to passive resistance.

The omnibus law passed by the Parliament on July 21, 1983 maintains the right of employers to impose a 56-hour work week, with no overtime pay. Enterprises are also prohibited from awarding new pay or other benefits to workers.

[From the New York Times, Oct. 6, 1983]

LABOR ORGANIZER WITH A TALL DREAM

(By John Kifner)

WARSAW, Oct. 5—For Lech Walesa, this has been a difficult year.

The one-time unemployed electrician who rose to become an international figure, the embodiment of the dreams of millions of Poles for a better life, emerged from 11 months of solitary confinement last fall to find his Solidarity union crushed by martial law. He had thrilled crowds and negotiated with the Government; he had even met, virtually as an equal, with the heads of the two institutions that dominate Poland—the Communist Party and the Roman Catholic Church. Now, the Government said, he was a has-been, the "former head of a former union."

Yet his allure has not entirely faded. During the eight days of Pope John Paul II's visit last June, the crowds once again unfurled their red and white Solidarity banners and shouted, "Lech Walesa! Lech Walesa!"

For those Poles, as well as for Mr. Walesa, the awarding of the Nobel Peace Prize to the founder of the first—and last—free trade union in the Soviet bloc was a vindication. To the Communist authorities it was a slap in the face.

HOW HE GOT THE NEWS

The news of his Nobel Prize came to Mr. Walesa—the name is pronounced vah-WENN-sah—as he was picking mushrooms in the woods, a very Polish activity at this time of the year. His wife, Danuta, said later that he had become so worked up by the knowledge that he was a candidate for the award that he could not sleep and had gone to the country north of Gdansk with friends to try to relax.

The word was brought by the Western television crews, whose attendance on Mr. Walesa is a constant irritant to the authorities. The mushroom-hunting party promptly grabbed the new laureate, who wore his ever-present badge of the Black Madonna of Czestochowa on his gray cardigan sweater, and tossed him in the air.

"The world recognizes Solidarity's ideals and struggles," he said when he got his breath back.

Laszek Michal Walesa was born Sept. 29, 1943, in the village of Popowo, near the Vistula River north of Warsaw, the son of a carpenter who was to die in a Nazi concentration camp. He was trained as a an electrician at a state agricultural school, served two years in the army and in 1967 moved to the Baltic seaport of Gdansk and a job in the sprawling Lenin Shipyard.

His introduction to political opposition came in the turbulent days of December 1970 when workers in Gdansk took to the streets to protest rising food prices and were gunned down. The demonstrations toppled the Government of Wladyslaw Gomulka, but, ultimately, the bloodshed brought little but broken promises.

A MONUMENT TO THE DEAD

The experience so burned Mr. Walesa that one of his obsessions was the unlikely project of building a monument to honor the more than 100 slain workers. The towering monument of three crosses, whose dedication was attended by party leaders, stands now at the shipyard gate, a constant reproach to the authorities. The police come at night and take away flowers people place at its base.

Mr. Walesa was on the strike committee that briefly shut down the shipyard in the next round of protests in 1976. Dismissed from his electrician's job, he became a full-time agitator, editing and passing out an underground newspaper, The Coastal Worker, and helping to organize the illegal Baltic Free Trade Union Movement. In this period, too, he made contact with the newly formed organization of dissident intellectuals called the Workers' Self-Defense Committee, which became important in guiding and spreading Solidarity.

In 1980, Mr. Walesa led the strike that drove Mr. Gomulka's successor, Edward Gierek, from power. When he climbed over the fence of the Lenin Shipyard on Aug. 14, the short and slightly pudgy Mr. Walesa became very much the right man at the right moment.

The week-old strike he took over had been touched off by the dismissal of Anna Walentynowicz, a grandmotherly looking crane operator. Feeding on long-held grievances, it spread like a bushfire along the Baltic coast, to the Nowa Huta steel mill, the coal mines of Silesia, engulfing most of Poland. Bus drivers writers, peasant farmers, trainee firemen, even party members joined the strike.

Neither an intellectual nor a profound strategist, Mr. Walesa nevertheless possessed a magnetism that set him apart from the other Solidarity leaders. What he had was a shrewdness, a keen sense of the dramatic and a flair for summing up the feelings of the workers in an earthy phrase. "You and I, we eat the same bread," he told a room overflowing with grimy, blue-jacketed steelworkers. He did not have to complete the thought—that there were others, the privileged party elite, who ate much differently.

LEADERSHIP IS CHALLENGED

While the authorities tend to portray him as wild-eyed public enemy, Mr. Walesa spent much of his efforts during the hectic 16 months of Solidarity trying to calm striking workers, staving off confrontations. Indeed, he was sharply challenged from within his own ranks as being too willing to compromise with the authorities. Mr. Walesa and others kept insisting that theirs was a "self-limiting revolution," that they meant to reform the system, not overthrow it, but the Poles and their rulers understood that, inevitably, the challenge was more profound than that.

Mr. Walesa lives in what is by Polish standards a relatively luxurious six-room apartment in a vast housing project with his wife, a former florist's assistant whom he married in 1969, and their three daughters and four sons, the last born while he was interned. The apartment was given to him during his days of recognized prominence. A portrait of the Pope dominates the living room.

The authorities have been trying for months to discredit Mr. Walesa. The latest step was a special television program, titled "Money," broadcast last week. It centers on a purported tape recording in which Mr. Walesa is reputed to speak of squirreling away a million dollars abroad, to complain that the Pope was edging him out of last year's Nobel Prize and to use foul language.

The effort appears to have had little effect. The next day Mr. Walesa went to a World Cup soccer match in Gdansk, the home team playing an Italian squad, and when he was recognized the stadium burst into cheers.

SOVIET DECEPTION VERSUS NUCLEAR WEAPON BUILD-DOWN OPTIONS

Mr. HELMS. Mr. President, as negotiations get underway in Geneva for START, we need to ask ourselves some very basic questions. How do we negotiate limits on nuclear capabilities that we do not understand; and, should agreements be reached, how would they be verified?

The problems of such uncertainties are vividly illustrated in our seeming inability to bring the Soviets to task for the use of lethel chemicals and toxins in Southeast Asia and Afghanistan. The treaties simply were unable to foresee new developments in technology, and as a result are inadequate when it comes to verification.

The problem in the nuclear arena is equally severe. For example, can we limit the number of SS-20 missiles if we cannot see them with our national technical means of verification, or if we do not know for certain where they are stored—or not stored—and in what quantity? Can we limit strategic nuclear stockpiles if all we can count are silos? How do extra, or reload, missiles enter in to the question, and how will the new strategic mobile system, the PL-5, of SS-X-25 be "counted"?

Mr. President, the Soviet practices of concealment and camouflage, often referred to as maskirovka, have been raised with increasing frequency. They become especially important as the new "build-down" proposal is considered. If we do not know for sure the extent and characteristics of the Soviet nuclear stockpile, then what is the meaning of "build-down"? Specifically, build-down from what?

As background for considering these questions and their implications, I would like to bring to the attention of my colleagues a recent, thought-provoking article from the Armed Forces Journal by Samuel Cohen and Joseph Douglass, "Selective Targeting and Soviet Deception." Mr. Cohen, once a member of the Manhattan project, is known as "the father of the neutron bomb." Dr. Douglass has been an eminent defense analyst for 20 years. They point out very effectively the limitations in our knowledge of Soviet capabilities and its implications for U.S. military strategy. The implications for arms control are equally important.

Mr. President, I ask that the article on Soviet deception be printed in the RECORD.

The article follows:

[From the Armed Forces Journal International, September 1983]

SELECTIVE TARGETING AND SOVIET DECEPTION

(By Samuel T. Cohen and Joseph D. Douglass, Jr.)

("However absorbed a commander may be in the elaboration of his own thoughts, it is necessary sometimes to take the enemy into consideration."—Winston Churchill)

During the decade of the 1970s, the Pentagon worked hard to revise America's nuclear doctrine. The objective was to be able to fight a restrained intercontinental nuclear war with the Soviet Union.

The new doctrine was first publicized in January of 1974 by Defense Secretary James Schlesinger. Should the Soviets attack with a restrained counterforce strike, the United States henceforth would have the capability of striking back in a "selective" manner, only striking crucial military targets while avoiding unnecessary collateral damage to urban areas.

In the summer of 1980, the doctrine was reaffirmed by President Carter in the form of Presidential Directive No. 59 (PD-59). Since that time the meaning of this doctrine has become more apparent as its generic target list has become known. In addition to traditional SIOP[2] targets such as ICBMs, nuclear submarine bases, and airfields capable of handling strategic bombers, the new list emphasizes control targets—military, party and internal security control—and power projection forces.

Defense Secretary Harold Brown explained that this latest iteration was "designed with the Soviets in mind" and would "take account of what we know about Soviet perspectives on these issues, for, by definition, deterrence requires shaping Soviet assessments about the risks of war—assessments they will make using their models, not ours."

However, in comparing the new U.S. nuclear strategy with that of the Soviets, a very substantial question emerges: namely, does the U.S. really know enough about the actual targets (and about Soviet efforts to deny the United States access to critical information, such as target location) to realistically and effectively implement a selective targeting strategy? Or, alternatively, is the strategy merely rhetoric unsupported by capabilities?

The problem is that while American planners are beginning to recognize Soviet doctrine, they have yet to accept some of its most central tenets, one of which emphasizes the importance of surprise and the need to employ secrecy, cover, and deception to mislead the enemy.

Surprise is, perhaps, the single most important principle of war in the nuclear age in Soviet thinking. It is achieved mainly "as a result of poor knowledge by the adversary of one's true intentions, as a result of subjective errors in assessing intentions and plans, as well as a result of shallow analyses of measures taken to achieve surprise." This helps explain why, in discussions of surprise in Soviet military textbooks, dictionaries, and encyclopedias, objectives such as "misleading the enemy about one's intentions" or "leading the enemy into error concerning one's own intentions" always appear at the top of the list—closely followed by other important concepts such as "covert preparations," "unexpected use of nuclear weapons," "camouflage actions," and "the use of means and methods unknown to the enemy."

This suggests a possibly critical PD-59 targeting problem. Targeting normally consists of identification and selection. While the process already must be extremely complicated—that is, the selection of several thousand targets from a target list containing tens of thousands of targets—to this problem must be added the questions, "How does one separate real targets from false targets, and identify real targets where there has been an extensive effort (by masters of the trade) to hide them?" Bear in mind that the principal, almost only, means for identification and location is satellite photography—using cameras that cannot see at night, through weather or into boxes, buildings, or underground facilities.

This problem is further compounded by Soviet efforts to disperse and duplicate critical facilities and move them on the eve of the war. Mobility is especially important, and when undertaken in anticipation of an enemy nuclear strike even has a special name, "anti-atomic maneuvers." These maneuvers are intended to negate the effectiveness of enemy strikes simply by moving targeted items, such as military units, weapons and ammunition stockpiles, especially nuclear warheads, air and missile defenses, political administrative control centers, communication facilities, transportation assets, and so forth. Insofar as strategic force targeting the United States is not a real time or even a near real time operation, the effectiveness of such a Soviet effort could be considerable.

T.K. Jones, Deputy Under Secretary of Defense for Research and Engineering, explained the consequences of Soviet mobility to a Senate arms control subcommittee in 1982:

Our ability to retaliate effectively against Soviet military assets is also no longer as clear as it once was. Their conventional military forces and nuclear reserves are protected by mobility. Although we could retaliate against the peacetime locations of such military units, there is doubt that such action would eliminate the fighting capability of the Soviet forces.

Soviet leadership is a particularly important PD-59 target category where secrecy, cover, deception, and mobility may negate US pre-attack targeting. The Defense Department recently observed: "Protection of their leadership has been a primary objective of the Soviets. . . . This protection has been achieved through the construction of deep, hard urban shelters and countless relocation sites." But the Defense Department acknowledged in 1980 that it had identified only "relatively few leadership shelters."

How many of these relocation shelters are known today, and which would be occupied, and by whom? The problem is revealed in the testimony of a Soviet civil projects engineer who emigrated in 1978, as reported in the monthly newsletter, HUMINT: "Wilkinson Swords, the British razor manufacturer, built a completely equipped plant in Moscow. On the basis of expected profits, the Soviets were able to build two shelters, one in Moscow and one in Leningrad. The shelter for the five-story Wilkinson razor factory was built before the British engineers arrived. They were walking on the 'ceiling' of the shelter and never knew what it was or that anything was there." It is entirely possible that an extensive complex of such unknown shelters and camouflaged shelters exist and have completely escaped detection by Western intelligence.

One high level defector has pointed out that the key Soviet leaders have two relocation sites: one to be used on the eve of war, the second to be used about seven hours after war begins.

A recent CIA study stated that identified fixed shelters were vulnerable to direct attack. If so, why would the Soviet leadership desire to arrange for their extermination by occupying these shelters, especially if they thought they were targeted? This wouldn't make any sense. So maybe they have been constructing some decoy shelter systems to draw attention, knowing we will see them being constructed, and to draw fire, as a subterfuge to encourage the wasteful expenditure of US warheads; their real plans being to occupy only shelters believed to be unknown to US nuclear planners. The importance of constructing decoy targets to draw both attention and fire is stressed in the Soviet literature, but rarely appears to be considered in Western analyses.

Not only would this make good deception sense, it also would make good economic sense, in the event the unknown shelters became known. The cost to the United States to dispatch an ICBM warhead to a target has escalated to tens of millions of dollars per warhead, vastly more expensive than the cost of a hardened shelter. Which

[1] SIOP: Strategic Integrated Operational Plan.

suggests the possibility of a large proliferation of Soviet leadership shelters—playing a shell game as we once sought to do with the M-X missile. This raises additional questions about the ability of US nuclear targeters to implement the PD-59 strategy against one of its most important target categories.

Probably the highest priority and most dominant PD-59 target class is the Soviet land-based strategic nuclear reserves. US intelligence credits the Soviets with about 1,400 land-based ICBM launchers. But, the 1,400 number really refers to known silos. Are all these silos filled? And, how many missiles are stored elsewhere?

The dominant theme that runs through the Soviet and German analyses of World War II is the importance of secret reserves. The Soviets won the war because of massive reserves that the Germans did not know existed. In Soviet General Staff analyses of present day conditions, reserves "have become much more important than in the past." The "Why?" is simple. "In the final analysis, decisive defeat of the enemy and achievement of war aims are secured by the offensive reserves"—whose successful employment, the Soviets further advise, is heavily dependent upon "secrecy and concealment."

In examining the Soviet nuclear capabilities, two very different, almost conflicting, strategic objectives should be considered. First, the United States (and the world) must "see" a strong, superior Soviet capability. This is an important ingredient of Soviet political warfare—intimidation. In this regard, Amrom Katz, a former director of verification at the US Arms Control and Disarmament Agency, has noted that the CIA has been a most effective Soviet public relations agent by providing the world with most credible data on Soviet nuclear superiority. The second aspect is the equally dominant requirement to hide from any enemy the true extent of Soviet nuclear capabilities and especially any knowledge of Soviet nuclear capability that might be to the enemy's advantage. In this regard, the location of nuclear forces and the number of reserves are most critical and most important to hide from the enemy.

Considering this, does it make sense to assume that all Soviet ICBM silos are filled and that all reserve missiles will be fired from silos? In accordance with PD-59's strategy to limit damage from Soviet second and third ICBM strikes, US strategy would involve attacking these silos both to destroy missiles not fired during the first strike and to deny the Soviets the ability to reload the silos for subsequent strikes.

We have long known that Soviet ICBMs can be fired from their containing canisters, in which they remain stored from the time they leave the factory assembly line. When they are fired from silos in test flights, technically speaking the missiles leave the canisters, not the silos.

This poses the following question: How many canisters that are lowered into silos actually contain missiles? An honest answer would have to be: We really don't know. There is no way that a reconnaissance satellite can see what is inside a canister. But, the dilemma is even more complicated than this.

If the Soviets wished to, they consistently could conceal from satellite view even the delivery and emplacement of the canisters. They could cover the railway cars transporting them and lower them into the silos during periods of darkness or inclement weather—in which case we would see, in a word, nothing. But apparently they don't. Why? Could it be that they have conducted a program of massive deception toward leading us to believe that all silos contain missiles, to insure the wasteful expenditure of US ICBMs and the defeat of US targeting strategy? Could it be that the silos mainly contain missiles intended for the first strike (including extra missiles ready to rapidly substitute for launch aborts), and that there are a number of extra empty silos to create the impression that the entire land-based force is silo-based and hence to draw fire-e.g., dummy targets, recognizing that with today's sensors, the only way to make a good dummy silo is to make a real silo, which would still be well worth the cost.

Nor is this the only ICBM reserves intelligence problem. The Defense Department has observed Soviet reloading exercises and has become concerned about Soviet plans to reload and refire missiles from "used" ICBM silos. DoD's estimate of the time required for the Soviets to reload a significant number of silos is several days, which may not be sufficiently rapid to constitute a SALT II violation and is sufficiently slow to enable US forces to strike before the reload is completed. Aside from the fact that the reload time observed is more like one day, or as one intelligence source has reported, several hours, why would the Soviets deny themselves the ability to thwart the selective targeting strategy? Why give the United States ample time to destroy the Soviet silos before they could be reloaded. Or could it be that these reloading exercises were part of a Soviet deception?

Why, one could argue, would the Soviets, knowing we would be watching, wish to conduct a reloading exercise that plainly was sufficiently slow to encourage US efforts to keep all silos targeted in the US response second strike? Still further, why would the Soviets plan to reconstitute a force, either rapidly or slowly, in the main areas where rubble and fallout radiation levels should be expected to be most severe? Unless, in the words of Lenin, they were deceiving us by telling us what we wanted to believe. Could it be that they were bent on ensuring that the United States would wastefully dispatch its missiles toward "known" critical targets (i.e. silos), while the actual (unknown) targets were someplace else? The cold military logic of the situation would dictate that this is exactly what the Soviets should have been up to. If there is one thing that can be said about Soviet military doctrine, it is that it tends to be logically impeccable.

What a rapid reload capability (whether several hours or several days) really implies is not so much the ability to reuse silos, but rather the existence of a "wooden round" ICBM that is self-contained in, and capable of being fired from, its own canister—an ICBM that does not need a silo. Canistered ICBMs easily can be stored in garages or sheds, simply erected, aligned (the only possible difficulty), and fired from any surface capable of supporting the missile weight. Such canisters for "sabotted" ICBMs are simple and cheap—sections of steel sewer pipe welded together are more than adequate—and just as good as silos for launching purposes. The missiles can be erected and fired from any location. Only minimal preplanning to presurvey the site locations and enable initial orientation of the guidance system is necessary; considering stellar guidance technology, this could be a trivial task.

Then there is the issue of the SS-20, which has been "sold" as strictly a theater nuclear system. However, with the recently increasing Soviet encryption of missile test telemetry, including that on the SS-20, another question emerges: Does the SS-20, whose deployments are mounting, have an intercontinental capability? Has US intelligence only been allowed to see the heavy-payload, short-range version? There is considerable disagreement over the SS-20 payload and range. Payload estimates in the IISS Military Balance 1982-1983 range from single 50-kiloton warheads to three 150-kiloton warheads, with corresponding ranges from 7,400 kilometers to 4,500 kilometers. Clearly when loaded with only one warhead (and 50 kilotons is larger than the Poseidon warheads), the system is intercontinental. It is then an excellent land-based strategic reserve. Moreover, in such a configuration it also could play a disturbing role in a Soviet surprise first strike because of its ability to launch out of unexpected areas, and out of areas uncovered by the defense warning satellites, thus confusing or even negating the most critical part of the US attack warning system.

There is no target base in Europe that comes even close to justifying the SS-20 system in its most advertised form, which equates to between 2,000 and 5,000 150-kiloton warheads. There are fewer than 30 so-called nuclear hardened targets (none of which are even hardened to withstand 150-kilotons delivered with SS-20 accuracies); the shorter range Soviet missiles deployed in Eastern Europe, coupled with a few of the ICBMs tested at intermediate range (SS-11 Mod. 4s and SS-19s), long have had the capability to conduct an effective disarming first nuclear strike against all NATO land targets.

Since the early 1960s, the Soviets have stressed the need for mobile missiles for survivability. Because of their ability to change location and relative ease of concealment and camouflage, survivability is achieved because the enemy cannot effectively find and target the missiles. Were the SS-20 indeed an ICBM, its deployment would thwart the PD-59 targeting strategy. There is also the longer range mobile SS-16, that apparently has been deployed in quantity (100 to 200) under cover at Plestsk; in the future, there is expected to be the mobile PL-5.

The problem becomes further compounded when the nature of US intelligence assets used to target the nuclear forces is also taken into account. These assets are really intelligence assets driven by intelligence needs, not by military target acquisition requirements needed to identify targets for nuclear strike after a war begins. The Soviets, who have a warfighting strategy and battle management capability, stress the need for target acquisition after the war starts and the need to destroy an enemy's target acquisition capability in the first strike.

The Soviets should be expected to target all US reconnaissance capabilities in the first strike, including any known reconstitution capabilities. Thus, the US would be blinded in the first strike. This would also appear to operate greatly to our disadvantage in trying to implement a selective second strike. How will this strike be targeted in the face of Soviet secrecy, cover, deception and mobility? This underscores a very important constraint on doctrine—capabilities. One can only realistically change doctrines within the latitude that the capabilities will support.

Another serious intelligence problem has been the prevalent attitude, not limited to

the intelligence community, that deception is not a real problem. The former Deputy Chief, Counterintelligence Staff, CIA, explained the situation quite nicely when he said: "So we come to the real question: How does one get people at the political level, or even at the high or medium-high decision-making level within the intelligence organization to recognize that deception is a real problem?"

There probably is no one explanation for this condition. However, a number of possibly contributing factors can be identified. First, there is the image of Soviet Union military and intelligence operations as clumsy and heavy handed. This is perhaps best represented by the "cold warrior" mentality that inhabits many of the national security catacombs. Rarely does one encounter an image of the Soviet Union as well organized, sophisticated, talented, and clever.

Second, the U.S. government is not equipped to deal with deception, except perhaps in a very specialized manner, and even that may be somewhat questionable since the CIA counterintelligence staff was purged in the mid-1970s. All-source analysis is necessary to come to grips with modern, multi-source, coordinated deception. But there is no place where all-source analysis is conducted. With the exception of some technical areas, analysts—even intelligence analysts—who use the data, who should be most concerned about possible deception, have almost no access to sources—and most of the time, security is not the real reason.

Third, there is no sense of Soviet long-range planning or belief in the possible existence of a Soviet "grand-plan" in the intelligence agencies (or almost anywhere else in the U.S. national security community, for that matter). In recent Congressional hearings on Stategic Forces, Richard Pipes stated that one of the fundamental problems with the National Intelligence Estimates (NIEs) was the disbelief of those drafting the estimates in Soviet grand strategy. As a result, they dealt with each aspect of Soviet behavior separately, "with politics and military affairs separately, economics, propaganda and ideology separately, and then within each of these categories, with each item, such as each weapon system, separately." No one ever brought the pieces together.

When Czechoslovakia's General Major Jan Sejna defected in 1968, he felt that the most valuable information he brought with him was his knowledge of the Soviet "Long Range Plan for the Next Ten to Fifteen Years and Beyond." Sejna was the only Czech with access to the Russian version of that plan. Yet US intelligence authorities never debriefed him on its contents. Special sections on deception appear throughout the plan, and it spells out one of the main strategic deception goals this way: "To cover the nature and intended use of the main tools, of which one of the most important is the nuclear forces."

Fourth, specifically in regard to unknown strategic nuclear capabilities, there is an organizational belief that if the Soviets would attempt anything truly massive, such as the hiding of several hundred missiles, let alone a complete Soviet Missile Force Army, word would leak out—too many people would have to be involved. However, rumors have leaked out—rumors of missiles in lakes, caves, mountain hide-aways, and sheds. Presumably such rumors were pursued, but nothing found.

Unfortunately, there are massive installations in the Soviet Union with whole towns supporting them, that the intelligence community has only been able to speculate about for over two decades. Why has information on those installations not leaked out; or, if it has, to what avail? US intelligence refused to recognize the civil defense program in the Soviet Union until some analysts outside the government, and PD-59, forced the issue. Only then, following an extensive reviews of data, did shelters, relocation sites, and even some duplicate industrial facilities begin to emerge. No one had looked for before. The Soviet Union is supposed to have a large chemical warfare capability, but just try and find any data on it. Intelligence can not even say whether the Soviet stock-pile of chemical weapons is 500 tons or 5,000,000 tons; and, until the Sverdlovsk accident (which the Soviets claimed was food poisoning) the existence of a Soviet biological warfare capability was dismissed.

Consider the following paragraph taken from an article on camouflage in a classified Soviet General Staff journal in the early 1970s:

"If it is not possible to conceal troops and facilities from hostile observation, then one can reduce their revealing features by altering their external appearance. For example, a large camp or supply base can be camouflaged as a town; a tank farm can be camouflaged as apartment houses, while individual military installations can be camouflaged as rubble, smoldering ruins, etc. Important elements of a camouflage effort are the mounting of feigned assaults and *the construction of dummy defensive fortifications (control posts).* Such action can be employed not only at the tactical echelon but *particularly at the operational and strategic* levels." [Emphasis added.]

It does not take much imagination to conceive of an entire Soviet Missile Force Army camouflaged as a test site, or deployed as a remote town, or of a town built exclusively to house such an army, complete with farming, perhaps lumbering, and some light manufacturing—enough activity to justify a rail spur and moderate rail traffic.

Nor does it take much imagination to envision people arriving and departing by train, perhaps at night or in trains with no windows, so that no one in town—including even the commander—knows where they are located, or better still, are misinformed as to where they are. (This type of practice is normal behind the Iron Curtain. When the Czech Politburo, the highest ranking government officials, were taken to review a new air defense site in the mid-1960s, they were driven in buses that had the windows painted black to prevent even their knowing where the site was!)

Perhaps the most serious contributing factor is an associated fear of deception and of even trying to tackle the problem. Fear over studies of deception, is not just an intelligence organization fear. Deception studies run the risk of having numerous far-reaching ramifications. A serious investigation into Soviet secrecy, cover, and deception could be far more revealing and serious than was the US Senate's Church Committee investigation in the mid-1970s. The Church Committee unfortunately did not deal with deficiencies that adversely reflected upon US national security. A truly serious study of Soviet secrecy and deception should be expected to be actively and forcefully opposed by most of the US intelligence community, and, equally important and unlike the Church Committee investigation, also by the KGB.

The above discussion is not intended to claim the definite existence of a large hidden Soviet missile force. Rather, the point is that the United States appears to have adopted targeting strategies that require good information on enemy military capabilities; yet that required information may not exist because of Soviet secrecy, cover, and deception.

Soviet efforts to defeat US strategy rarely if ever are taken into account. Estimates of enemy capability tend to be several times removed from the actual data and often bear scant resemblance to the data. When one tries to find the data supporting a statement on enemy capabilities—statements of the type that are the main input to the policy and strategy planning process—one often discovers as house built of cards. For example, silos become launchers, which then become warheads, throw weight, and the force locations. Any resemblance between this and the actual numbers of warheads or missiles or launchers is strictly coincidental, and the locations only cover one possibility. The estimates might be right, but the data certainly do not tell whether this is the case or not. And, the United States not only seems oblivious to the possible problem, but worse still, may have serious internal structures and bureaucratic beliefs that make dealing with the problem very, very difficult.

In considering PD-59 and the impact of Soviet secrecy and deception, a second problem, made especially serious because of the targeting problem, is defense. For years the US has denigrated any defense effort. This is the mutual vulnerability portion of the mutual assure destruction (MAD) doctrine. The reasonableness of this approach has now been seriously questioned and for the first time in two decades, the folly of standing defenseless is being recognized along with the increasingly percieved need for a major shift to a defense oriented strategy.

Even before President Reagan called attention to the need for strong defense initiatives, the importance of this action was clearly presented in Defense Secretary Caspar Weinberger's 1983 Annual Report to the Congress. In his overview of US strategy, he identifies three main principles. First, "our strategy is defensive." Second, "the deterrent nature of our strategy is closely related to our defensive stance." And third, "In responding to an enemy attack, we must defeat the attack and achieve our national objectives while limiting—to the extent possible and practicable—the scope of the conflict."

Throughout this Annual Report, the critical importance of defense in the new doctrine is obvious when such phrases as "defeat the attack," "limit the scope of the conflict," "deny the enemy his political and military goals," and "terminate hostilities at the lowest possible level of damage to the United States," are examined with full comprehension of Soviet secrecy, cover, deception, and mobility practices and the resultant US nuclear force targeting limitations discussed above.

The goals of PD-59, or its successor, NSDD-13, simply cannot be met, even partially met, with only offensive capabilities. Indeed, because of Soviet secrecy, cover, deception, and mobility, US offensive forces may be almost totally unable to do much other than hit fixed, pre-briefed targets, which, if important to the Soviets, may no longer be valid targets when the war starts.

The goals of the new US nuclear strategy truly lack credibility in the absence of ABM

defenses, the current situation. And, therefore, to change the doctrine, once again, much more than mere words are required. Substantial actions are essential in both defense and offense.

Most important are the development of reasonable active and passive (civil) defenses of our country, of which we now have essentially none. If we desire to survive nuclear war (we can, if we really want to), we must take measures to protect ourselves—our military forces, our civilian population, our economy, and our government. This would call for changing the current organization, acquisition, and management attention to include a heavy defensive component; in fact; a dominant defensive component.

For passive defense, first and foremost, a sensible civil defense system should be designed and built. The myth that America cannot survive a nuclear war with the Soviets—a myth that the US government, for political reasons, has helped to promote—is exactly that: a myth.

As for active defense, despite the general discouragement resulting from the Anti-Ballistic Missile (ABM) Treaty of 1972, considerable technical progress has been made in recent years toward attaining a defense against ballistic missile attack. We should be doing for active defense development what we did for the ICBM 30 years ago: give it a top, presidentially-directed priority. In March, 1983, President Reagan took the first step in this direction. Were Reagan now to move on active defense as Eisenhower did on the ICBM, or as Kennedy did on the Apollo man-on-the-moon program, chances are that enormous progress would be made and a reasonably effective layered defense capability could become real within a decade.

Regarding air defense, it is ironic that all the considerable gains we have made in this area have been applied to the defense of other countries, while our own continental defenses have been emasculated. In the meantime, the Soviets have been building up a strategic bomber capability which, if we do not restore air defense, will get a free ride over US territory.

In the area of offensive strategic weapons, in deploying our land-based systems, being a completely open society, we do not have the ability to disinform the Soviet targeteers, as they so readily do to us. If we are to have survivable land-based systems, since they cannot be successfully hidden or the Soviets spoofed as to their whereabouts, the weapons will have to be mobile and exist in reasonably large numbers. In this respect, a small road-mobile ICBM should be developed with top priority as the main land-based missile force. Nuclear warhead technology exists to permit such a system to be fielded unarmed and free of threats from terrorists (the actual arming would take place only in the event of a crisis or war itself).

In sum, the United States may be heading down in illusory path in devising nuclear strategy and defenses. Not having taken into account the Soviet propensity and capability for deception, we may (and probably) have been foolishly playing into the Soviet hands and unwittingly given them an even larger degree of strategic nuclear superiority than we now admit they have.

It is essential to our security that this error be understood and corrected. Deception is a singularly important aspect of Soviet strategy. It is also a national talent in the Soviet Union. It is an integral part of their planning process. One would expect it to be employed in significant ways—probably accompanied by a variety of poor efforts undertaken to distract the attention of US intelligence and create the image of ineffective and clumsy Soviet deception practices.

But, where are the significant deception efforts? How have we been or are we being misled? Where are the examples of these efforts? Perhaps we should consider Amrom Katz's not too facetious observation, "We have never found anything the Soviets have successfully hidden"—and add to it the thought that the Soviets may be very good at hiding—when they want to be.

ALL SERVICES CAMPAIGN OF POSTAL SERVICE

Mr. STEVENS. Mr. President, Postmaster General William Bolger recently announced that the Postal Service will be instituting an ambitious all-out campaign to improve the quality of service to the mailing public. This effort, called the All Services Campaign, will involve each and every employee in the Postal Service and should greatly enhance the Service's ability to serve the Nation's mailers.

The campaign will adopt the theme "We'll Help You Get Our Best" in its program to help educate the public on available services and products and how to most effectively use the Postal Service's resources. An employee awareness effort, with the theme "Know and Tell," will place emphasis on educating and motivating employees who interact with the public to improve courtesy and professionalism. Emphasis will also be placed on improving the efficiency, orderliness, and cleanliness of post office window and lobby areas.

The campaign was kicked off on September 13 with an unprecedented 2-hour video conference between the Postmaster General, headquarters staff, and 3,000 postal employees in designated cities in 38 States from Tampa, Fla., to Anchorage, Alaska; from Honolulu, Hawaii, to Hanover, N.H.

I am particularly pleased at this effort because I have long felt and urged the Postal Service to make a greater effort to inform the public of the services they offer, as well as remind postal employees of the need to meet the wants of the public. Recent studies by both the Postal Service and independent organizations show that although the Postal Service does a creditable job in moving the mail, it needs to more effectively deal with the general public and the individual customer.

In a study conducted last year, the National Academy of Public Administration applauded the Postal Service for its outstanding achievements but noted that reduced costs and increased productivity "may have been accomplished at some sacrifice in employee courtesy and customer services." It noted that while the Postal Service had "done a good job of working with big mailers," more attention should be given to the needs of the general public.

Last year, the Postal Service studied customer attitudes in Denver, Baltimore, Houston, and New York City. The customers identified three areas of concern: Waiting in lines, discourteous window clerks, and inconsistent local mail delivery. In interviews with employees, the Postal Service was cited as a good employer but was viewed as being perhaps too concerned with productivity and not enough concerned with the "human element."

The All Service Campaign is designed to address the shortcomings identified. The program's general publicity campaign began on September 18 with full-page color ads explaining postal products and services. These advertisements will continue on a monthly basis in the Sunday supplement of major newspapers throughout the Nation. Each will feature a different message about postal services in an effort to help customers select the product or service which best meets their needs and budgets. Each month's advertisement will be reinforced by displays and posters in the post offices and free brochures on the subject will be available. The know and tell portion of the campaign will encourage employees to know about the services and tell the customers about them.

Research by the Postal Service found a general lack of public understanding of the various mail services available. By increasing the public's knowledge of what is available, more customers will enter a post office knowing what they need. This should make it easier for the clerk to serve the customer, shorten the customer's time at the post office, and generally improve the level of service provided to the public as a whole.

I commend Postmaster General Bolger for not only recognizing the Postal Service's shortcomings but for entering into this aggressive program to make improvements where they are needed. I am sure that we all welcome the Postal Service's efforts to reaffirm its partnership with the American mailing public.

CIVIL RIGHTS COMMISSION

Mr. PERCY. Mr. President, I am very disappointed that the U.S. Civil Rights Commission has been allowed to expire. Beginning October 1, the Commission began to wind up its operations. I think it is very unfortunate that this situation has been allowed to occur. The Civil Rights Commission was established in 1957 to provide an independent source of information on our progress as a nation toward the goal of assuring full civil rights for all Americans. Since then, virtually every

President and every administration has come in for its share of criticism. But this is one reason why the Congress established the Commission in the first place—to assure that there would be capable but independent assessments and information provided on vital civil rights issues. It is one reason why the Congress is now intent on preserving the Commission's independence and its fundamental authorities.

During the debate over extension, several important principles have emerged which—I strongly believe—must be closely adhered to in any reauthorization bill. First, the Commission should be bipartisan, with an equal number of Republicans and Democrats. This division helps greatly to assure independence and continuity when control of the administration shifts from one party to another. Second, providing that no President may appoint a majority of commissioners within his term prevents one administration from stacking the membership with individuals holding a single set of views. Third, the President should not be authorized to dismiss commissioners except for neglect of duty or malfeasance. This, too, is a fundamental safeguard of the Commission's independence, and closely tracks such safeguards in other independent organizations throughout Government. Finally, no special preference in structuring the Commission should be given to any particular President. Presidents since Eisenhower—Republican and Democratic—have had to deal with forthright expressions of views from the Civil Rights Commission. I have heard no good reason why the time-honored process of nomination, with the advice and consent of the Senate, should not apply in this instance.

Mr. President, through the patient efforts of Senators SPECTER, DOLE, BIDEN, and others, an approach has been developed which fully comports with these principles. The House has already passed reauthorization legislation. It is time for the Senate to act. I sincerely hope the Judiciary Committee will report an acceptable bill this week, that the Senate can then move on it expeditiously, and that Congress can present a bill to the President for signature before the Columbus Day recess.

CONGRESSMAN JOHN ERLENBORN TO RETIRE

Mr. PERCY. Mr. President, I would like to speak of a friend and colleague who, for the past 27 years, has devoted his life to public service. Representative JOHN ERLENBORN has recently announced his intention to retire at the end of his current term, an announcement received with great regret by his colleagues, by the people of the 13th Congressional Distirct, and by myself as well.

It is difficult to do justice in such brief remarks to the achievements of a man who has served in Congress for 18 years. His long and distinguished career has produced a legacy whose impact will be felt by generations to come. His record is one of achievement, balance, and of a deep knowledge of the legislative and parliamentary skills vital to success in the House of Representatives.

He examines each issue on its own merits: JOHN is no hostage to ideology. He could be a strenuous advocate of Government involvement in education while questioning the need for a Department of Education. JOHN devoted his energies to problem solving on behalf of the people of his district and the State of Illinois, but he also turned his creative mind to national problems in the areas of education, pension and retirement policy, as well as Government efficiency. He will be missed on both sides of the aisle, and indeed, on both sides of the Capitol.

It was not easy to have been a Republican with good ideas for those many years in a Democratic House. However, the sheer number of measures that bear his imprint, either by authorship or sponsorship, is a testimony to JOHN's stature as a thoughtful legislator and a persuader. The balance I mentioned previously was often brought to bear in terms of JOHN's willingness to negotiate and compromise without ever losing sight of his substantive goals. The majority on the Education and Labor Committee will no doubt recall the ever-present danger of the Erlenborn substitute should they fail to close ranks. Yet, in spite of the differences that sometimes divided JOHN from his Democratic colleagues, the significant legislation that emerged over the past decade from education and labor has been notably influenced by him, most often in the area of minimum wage legislation and pension law. In fact, as ranking Republican on the committee, he became the acknowledged congressional expert on pension law. The wonderful innovation of the individual retirement account owes its conception largely to JOHN ERLENBORN.

In an era of enormous expansion of Government in the 1970's into increasingly diverse aspects of American life, he consistently sought to insure its accountability to the public interest. He became involved in legislation necessary to monitor Federal budget procedures and Government operations. As a senior member of the House Committee on Government Operations, JOHN sponsored legislation in 1969 to create a commission to study Government purchasing practices and to promote efficiency. This legislation was buttressed in 1974, under JOHN's leadership, by the Federal Procurement Act and the Congressional Budget Act—a measure very close to my own heart—to reform and streamline spending procedures. Consistent with his principles, he strenuously advocated legislation for increased vigilance over the spending practices of the Federal agencies. These efforts came to fruition in 1978 and again in 1982 with the establishment of the Office of Inspector General in each of 12 Federal agencies, and the creation of a special inspector to monitor spending in the Defense Department. Finally, on another issue of special interest to me, he has been militant in his efforts to establish stronger enforcement procedures in the collection of Federal debts, and to close loopholes through which many have defaulted on student loans. I express my deep appreciation to JOHN for his assistance in securing final passage of the Federal Debt Collection Act of 1982.

But JOHN ERLENBORN was no enemy of regulation when he perceived a legitimate need for it. Witness his efforts as floor manager in 1970 for the House debate on the EPA Act to establish an independent Environmental Protection Agency, consolidating major programs for combating pollution into a single agency. Similarly, in 1970 he managed the floor debate calling for the creation of the National Oceanic and Atmospheric Administration.

Recently we have been made aware of deficiencies in our educational system. A Presidental Commission on Education has assessed the situation as tantamount to an act of war against the future of our country. Experts have competed with each other to suggest methods for reversing the tide of deteriorating standards. Given JOHN ERLENBORN's experience with education issues, it is reassuring to know that, while he leaves public office, he nonetheless maintains an active interest upon which we may rely in the continuing debate on this subject. He has long advocated that Government address itself to the goals of education in the United States. As early as 1971, JOHN proposed and secured passage of a resolution calling for a White House Conference on Education. In 1972, he cosponsored legislation creating the National Institute of Education to provide leadership in scientific inquiry into the educational process. JOHN understands fully that investment in education is an investment in our future. Toward this end, he undertook to increase the lending capacity of Federal assistance programs for college students, and to author legislation to create a secondary market for student loans, and to support efforts to insure that loans are repaid. In addition, numerous pieces of legislation have been passed under his leadership that reflect his concern for the special

needs of gifted and handicapped children. At a time of perceived crisis in our national education, we need his participation in the process of devising creative proposals to reinvigorate education in America.

It has been a special pleasure for me to work closely with him on the increasing number of Illinois-related projects that our delegation is jointly taking on. I want particularly to commend him for his efforts on behalf of the Argonne National Laboratory in insuring its future growth and stability. Although we were not successful in our most recent effort of securing the electron accelerator for Argonne, we have received reasonable assurance from Energy Secretary Don Hodel that future requests from Argonne will have top priority at the Department of Energy. Without JOHN's commitment to this valuable national and Illinois resource, we would not now enjoy this hopeful prospect.

I trust that JOHN will look forward to new opportunities and to greater leisure to enjoy the company of his wife Dorothy and their three children, Debra, Paul, and David. Personally, I deeply regret the departure of a man whose counsel and partnership have benefited me ever since I have served in the Senate. As a colleague, JOHN will be irreplaceable; as a friend, I wish him every success and happiness in the future. I, along with many here, will miss him.

WE CAN SOLVE OUR PROBLEMS

Mr. DIXON. Mr. President, Mr. W. B. Johnson, chairman and chief executive officer of Illinois Central Industries, a major corporation headquartered in my State, recently spoke at the annual banquet of the Greater Salisbury Committee in Salisbury, Md. The speech raises a number of crucially important issues concerning how to get our economy back on the path to sustained strong economic growth. Bill Johnson's comments are thought-provoking, and I am sure would be of interest to the entire Senate. I ask unanimous consent, therefore, that the entire test of his speech be printed in the RECORD.

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

REMARKS BY W. B. JOHNSON

Good evening—and thanks so much, Tony (Hannold), for the generous introduction. First off, I want to congratulate the Greater Salisbury Committee for its 16 years of civic commitment and service—indeed, results are evident and should be cause for pride.

Since leaving Salisbury more than 45 years ago, I've lived and worked in Washington, D.C., Philadelphia, New York, and Chicago. But wherever I've been, the Eastern Shore has always been home.

I went to school at Wicomico High, and then Washington College. My father was a Judge here. My brother Rufus and his wife Grace, and most of their family, still live here. Mary and I have a second home in Ocean Pines. And we come back as often as we can, because you just can't get Eastern shore scrapple, or really good sweet corn and peaches anywhere in Chicago.

Under the heading of "the road not taken", or "what might have been", there was a time long ago when Mary and I and my father planned to form a three-Johnson law firm here. And then, after some years, the late Dale E. Adkins flattered me by suggesting that I leave the Pennsylvania Railroad Law Department to join his firm in Salisbury. But events led me down another road, and those former possibilities are now just material for pleasant speculation.

It's good to be back home again tonight. The world always looks a little more peaceful—and also more hopeful—from the Chesapeake Bay Region than it does from my desk in the Midwest. Perhaps the perspective is better here.

Many years ago, the famed John Dickinson of the Pennsylvania Railroad, wrote an essay on the lawyers of the early Philadelphia bar in the 17th and 18th centuries. The most influential—men like Andrew Hamilton who defended Peter Zenger; William Tilgham, who was Chief Justice of Pennsylvania's highest court; and Tench Francis who served as Attorney General in Pennsylvania—all came from Salisbury, Cambridge, or elsewhere on the Eastern Shore.

The fascinating thesis of the essay is that there was something special in the environment of this area which produced such outstanding men, with their great imagination, integrity, and common sense. I would surely be reluctant to disagree with that! Rather, I would obviously and immodestly prefer to think that my own career has benefited similarly from my Eastern Shore heritage.

According to Dickinson's essay, what those great legal personalities acquired from the diversified beauty of this area was a respect for nature; from the businesses here, an appreciation of responsibility, work, and private enterprise; from our agriculture, a sense of patience; and from the schools and churches, a respect for literature, art, and, above all, philosphy and logic.

In that sense, Salisbury has not changed very much over the years. The same basic forces still sustain the people and the area today.

That's not to say it's been smooth sailing here in Salisbury—especially in the past few years. The Eastern Shore has been altered by economic change, and hurt like everyone else in America by the recent recession, the longest and deepest economic crisis since the Great Depression of the thirties.

In the past few years, America has discovered the limits of the national economy's ability to finance solutions for all our problems and, at the same time, achievement of all our goals. It has been a sobering experience for the people of the greatest nation of the world.

For the first time in my memory, a majority of the people on some public opinion surveys have said that they expect their children will be worse off than their parents.

But this cynicism and discouragement doesn't extend to the Eastern Shore. At a time when some Americans are trying to convince themselves that small is beautiful, the people in Salisbury are looking for ways to make the economic pie bigger. You've successfully put together a coalition—represented here tonight—of business, government, and workers that has tackled the issues of jobs, education, and economic growth.

And with all of this, you've helped bring the unemployment rate in the area down to 8.7 percent—that's still somewhat high, but well below the national average, and I congratulate you for it. Any knowledgeable visitor to downtown Salisbury or the river front would have to admire the solid accomplishments that your group, working with others, has achieved.

I wish the rest of the country were doing as well, but unfortunately, it is not. Economists tell us that the recession officially ended last November—but even though the Gross National Product grew at a remarkable annual rate of 9.7 percent of this year's second quarter, the heavy industrial sector of the American economy remains stalled.

Consumers are indeed spending more money—on furniture, food, clothing, and on the big ticket items of housing and autos. But business has not yet started to substantially replenish inventories, buy machine tools, or rebuild and expand factories—and that's why the recovery has not yet really taken hold across the board. Investment in plant, property, and equipment is still running about two and a half percent below last year's level—and that was not a high level.

We can see the pattern at my own company, because the diversity of IC Industries provides a uniquely broad view of the American economy. Since 1966, when I joined the company as its CEO, we have announced and pursued three carefully conceived plans of diversification and development. We've transformed ourselves from a modest midwestern railroad—the Illinois Central—to a four billion dollar multinational company with operations in a great variety of specialty foods, soft-drinks, consumer services, commercial products, and railroads.

Even so, we have been severely tested by the economic developments of the past two years—and I believe we have passed the test, proving the wisdom of our program of diversification.

At a time when many fine companies lost money, margins, and market share, we continued to report decent profits, pay our dividends, increase our share of most of our major markets. And we continued to make the capital investments that will keep us efficient and competitive out ahead. Thus, we are now in good position to leverage our earnings and take full advantage of the recovery which appears at last to be firmly begun.

Our food company, Pet, our soft-drink company, Pepsi Cola General Bottlers, and our service company, Midas, are once again all setting new records for sales and earnings in 1983, just as they did in 1982.

With food stores now making the capital improvements they have postponed during the past two years, our international refrigeration company—Hussmann—is having one of the best years in its history.

But our commercial products company—Abex—which manufactures hydraulic systems, castings, and other components for the country's basic industries, and our railroad, the Illinois Central Gulf, continue to lag behind the consumer companies. Only during the last 60 days have these too begun to show any real improvement in business volume. They will recover quickly, once the basic industry sector of the economy catches up with the consumer and service sectors.

Full economic recovery may be 6 to 10 months away, however, and we must be continuously concerned that enormous government deficits, high real interest rates, and the growing international trade imbalance,

do not limit or abort the recovery. More than 10 million Americans are still out of work. Factories are running at only 76 percent of capacity. And foreign competitors are having a field day in our national markets—our trade deficit may rise to $70 billion for the full year.

America's leaders need to face the economic facts of life, and move proptly to avoid risk of permanent structural damage to our basic industries and institutions.

The reasons for America's economic troubles aren't so hard to find—we're paying the price for 40 years of mismanagement of the economic system—for a misguided energy policy that kept the price of oil artificially low, and discouraged conservation.

We are paying the price for 14 consecutive years of ever-larger budget deficits, for the over-regulation of our economy, for double-digit inflation, and for loss of productivity and dilution of our national work ethic.

Some people would have us believe that these unhappy experiences prove that America has had the course—that our political and economic system cannot cope with the problems of a permanent condition of no-growth.

Indeed I must confess that there was a time, about ten years ago, when I perceived our economic and political systems to be inherently in conflict with one another, and wondered whether Capitalism could survive the inevitable excesses of democracy. It is thus understandable to me that others, concerned by our economic problems, by our newly violent cyclical swings, and our presently vast unemployment are voicing new themes and schemes to achieve better and more stable national performance. Indeed the 1984 Federal election rhetoric will almost certainly feature some of these as the answer to Reagan's supply-side economics.

We are already being told by some political leaders that we need a new national industrial policy in order to survive—a national planning agency to supplant the give and take of the free market.

We're told that foreign companies have cheaper and better labor, are better disciplined, have better support from their respective governments, and are too clever and productive for us to compete with in low-cost production and marketing of hard goods.

We are told by some to put all our capital into new high-tech industries, into information businesses, and into fast food chains. Become a service economy—Japan will build the cars, and we'll buy them and change the oil and wash the windshield!

You know that litany as well as I do. But I am far from convinced—and my principal point tonight is that you should not accept these cynical counsels as the only viable long-range economic alternatives for our country.

The people who say the sun is setting on American basic industry have forgotten the enormous strengths available to our producers—(even outside the Eastern Shore).

The United States has a greater abundance of essential natural resources than any other nation. We have highly efficient agriculture that routinely produces three times the food that our own country needs each year. We have a highly skilled, increasingly educated work force. We can claim management skills able to create and direct efficient corporate enterprises that continue to serve as models of organization for European and Japanese businesses. Most important, is the hard fact that our political and economic systems have produced a higher standard of living for more people than any system in the history of the world. The U.S. dollar is by far the world's most cherished currency other than gold, and our country is overwhelmingly the preferred site for investment of foreign capital.

Our government's relationship with our nation's businesses can assuredly be improved, but this country really does not need central planners to write a national agenda for bureaucratic implementation in the name of reindustrialization. Of course, we can learn from others, but the United States does not need political, social, or industrial systems designed by other cultures for other countries. We need only to get back to the basics of Democratic capitalism—and to give that system the freedom to do its job. I have no illusions about the effort it will take. But I also have no doubt that we have the physical and human resources to get America back on track if we but summon the national will to make the effort. Let me suggest now three specific major efforts that I believe we should resolutely pursue.

First, cut the federal deficit. The country is already one trillion dollars in debt—and economists, Congress and the Administration are predicting a string of annual deficits of about about $200 billion "for years to come."

These $200 billion deficits are not pre-ordained or inevitable. We can get much closer to a balanced budget and lower interst burdens without killing off the economic recovery through big tax increases, and without sacrificing either essential social programs or strong national defenses.

Obviously it's hard to implement remedial programs in our political environment, but it's really not all that complicated to at least determine the desirable course. We need mainly to produce much more national wealth (make a bigger pie), through great increases in savings, investment, and productivity, and above all, we should eliminate government waste.

Two and a half years ago President Reagan asked 161 businessmen to examine the federal government operations, and use their experience to find ways to cut the fat, and improve operating efficiency. The group was headed by Peter Grace—and it's popularly known as the Grace Commission or the PPSSCC. (President's Private Sector Survey on Cost Control.)

I had the honor to serve as Co-Chairman of one of 36 Task Forces. Mine was the one on Federal Hospitals—a $16 billion annual expense. Our group alone found ways to save over $11 billion in three years—and I believe our recommendations would also improve the quality of Federal health care.

Even greater possible savings were found in other agencies, in the White House, and in the Pentagon. If all the recommendations were implemented, the cost of government would be cut by $300 billion over the next three years. Our preliminary recommendations are now on President Reagan's desk, and he'll get the final report in the next few weeks.

I believe that the President and Congress will adopt many of our proposals, and considerably clean up the act of the federal government. But they will do so only if they realize that the people are solidly behind them, and want no more unnecessary tax increases, and no more unnecessary budget deficits. I hope you will support us in that effort. I know from my own experience in business, and with organizations like the American Productivity Center, that both government and business organizations can dramatically improve their operating efficiency if they make a serious effort to do so.

Second, to keep the economy growing, we need to reform today's inefficient system of taxes. We have today a patchwork of laws, rules, and regulations that often work at cross purposes. We cut taxes for individuals at the federal level to stimulate the economy—but then we raise social security and state and local taxes, and it's a wash for most taxpayers.

We offer Research and Development tax credits that cover at best only one to two percent of the cost of the investment—and then we wonder why the incentive doesn't work. Germany and Japan strongly encourage such investments through substantial tax credits.

We want people to save and invest, but we tax their capital gains, their income from savings accounts, and "double tax" their dividends from corporate earnings. The basic bias of our tax system is to reward the consumers of wealth and penalize the producers.

If ever we needed a Blue-Ribbon bipartisan Presidential Commission, this is the time—and taxes are the issue. We need a fair, simple, common sense tax policy which will provide incentives for savings and productive investments, which will encourage competition with foreign companies, and reward individuals and companies whose savings and investments create jobs and wealth. We are a rich country, but we need to be richer.

Third, we need to renew and accelerate the program of getting government off the backs of American industry. Many people don't realize how far we've gone down the road of excessive regulation. We have over 90 regulatory agencies in government today, issuing more than 10,000 new regulations each year, that cost us over $100 billion annually. Theoretically, at least, we'd create over two million new jobs a year if we invested that amount in basic industries. On a practical basis, there can be no doubt that our industries would be more effective marketplace competitors if they were not required by government regulation to serve as instruments of social purpose and reform.

The railroad industry, in which I have worked for 35 years, is perhaps the classic example of what can happen when the regulatory process becomes totally bureaucratized and an end in itself—and, even more dramatically, what can happen when you reverse the process, and remove the worst of the regulations. Since 1887, almost 100 years ago, Federal and state regulatory agencies controlled market prices and services of the nation's railroads. The resulting tremendous accumulation of regulations killed innovation, stifled competition, increased costs, and in our recent memory, were a major factor in forcing several good companies into bankruptcy.

By 1980, it was clear to all interest groups that the industry had to be de-regulated—or there wouldn't be any industry to serve the public. In that year, Congress passed the Staggers Act—the first time in a century that so-called de-regulation measures had any real substance. So, what happened?

In the three years since Staggers, the railroad industry has increased its share of the transportation market. Capital spending has increased. Return on investment has increased—all this despite the prolonged recession that devastated American industry. The results prove the benefits of letting the

private market system work. More freedom has conferred on the railroad industry more opportunity to realign, manage, and compete. The lesson can, I believe, be carried over to other basic industries, with comparable value to the economy through steady, thoughful de-regulation. The resulting risks and uncertainties can admittedly make the adjustment period painful, as in the case of the airlines, but it is better to face the underlying economic necessities and build a solid market base for long-range economical public service.

Let me hasten to assure you that I do not urge abandonment of such national goals as clean air and water, industrial safety, or conservation of energy. But the people want government to use the most sensible means of achieving these goals at minimum cost. This is because it's always the consumer and taxpayer who ultimately foot the bill for every regulatory restraint on business freedom and flexibility, whether or not the restraint is worth the cost. To truly promote the public welfare, competition is generally a better bet than regulation by a government bureau.

The competitive free enterprise systems provide opportunity to succeed or fail according to effectiveness in responding to consumer needs. This strong public interest incentive should not be substantially diluted by government rules which either protectively insulate or frustratingly burden the competitor.

Summing it up, I believe the American people now want their political leaders to face the hard questions of deficits, taxes, and regulation—and the leaders will respond if we send them a clear message. But we do have to send it. Only people working at the local level and making their desires known at the national level can influence the political leaders.

Those who no longer have the courage to trust free Democratic capitalism and, therefore, want to substitute national planning and government regulation for a free market are simply wrong. Those who want to build walls to keep out foreign competition are wrong.

Those who want us to believe that our children and grandchildren will have to accept a lower standard of living are wrong, and their pessimism should be rejected.

You and others have shown that we can rebuild our cities. We can educate the young, care for the old, insure against health catastrophes, and narrow the gap between rich and poor. We can streamline government, reduce deficits and interest rates, increase productivity and national wealth, and revitalize basic industry.

But we can reach these worthy goals only through the private efforts of thousands of Salisbury's—people who will chart their own destinies and make things happen through the vitality inherent in a free economy of free people. You are proving it here for the nation to see in the 1980s, just as Eastern Shoremen did in the 1700's.

I'm proud to share your heritage and proud also to share your evening here in my hometown. Mary and I thank you most sincerely. Good night.

TRADE WAR POSSIBLE WITH EUROPE

Mr. PERCY. Mr. President, it is with a great deal of personal regret that I must report that it appears inevitable that the United States and the European Economic Community (EEC) are moving rapidly toward an agricultural trade war.

I have just learned that it appears likely that shortly the Agricultural Commission of the EC will recommend the imposition of a quota levy on U.S.-origin corn gluten feed (CGF). The recommendation must be acted upon by the council of ministers, which will meet this December in Athens. The imposition of a quota levy would be a serious violation of a trade agreement reached between the United States and the European Community during the 1962 Kennedy round of tariff negotiations. It was entered into by both parties in good faith under the General Agreement on Tariffs and Trade.

U.S. exports of CGF amounted to about 3.1 million metric tons during 1982, almost all of it going to Europort in Rotterdam. It amounted to about $500 million in sales by U.S. producers, many located in east central Illinois.

Mr. President, time and again, I have received assurances from leading officials of the EC that a quota levy would not be imposed, particulary in view of stabilized production of CGF in the corn wet milling industry. Despite many meetings with Community officials to warn them of the serious consequences of imposing a quota levy on CGF, it appears that the Community is poised to act.

On April 15, 1982, the Senate unanimously adopted Senate Resolution 362 to urge the President of the United States to take appropriate action to protect U.S. exports of CGF. I would like to repeat subparagraph B of the first resolve clause:

> The imposition of any trade restriction on CGF would be a serious impediment to our relations with the European Community since it is specifically directed against the United States interests.

Perhaps, the officials of Agricultural Commission do not believe that we are serious. I hope not.

Therefore, I support the recent actions of the U.S. Government in drawing up lists of various agricultural and industrial commodities that might be subject to similar treatment if this critical trading agreement is unilaterally violated.

Further, I would urge the Secretary of Agriculture to develop contingency plans for another targetted sale of U.S. surplus dairy products to third countries, similar to the recent sale to the Arab Republic of Egypt.

Recently, I learned from the Bureau of Alcohol, Tobacco and Firearms of certain shipments of European-origin wine that may have been mislabeled. That is, these labels indicate a higher quality than the real contents of the bottle.

If that proves to a pattern of behavior, then I would urge the Department of Treasury to institute a screening program to ensure that the American public is getting the imported wine it is paying to receive.

Mr. President, I hope against hope that we do not have to enter into a trade war that will serve no useful purpose. However, it seems that the officials of the European Community have turned a deaf ear to our warnings and have invited this type of reaction.

Mr. President, I would like to include for the Record a report specifically prepared by the Bureau of Alcohol, Tobacco and Firearms on a completed case which deals with the mislabeling of French wine. I understand there are other mislabeling cases still under investigation. Of course, we do not know how many of these incidents go unreported. I note the cooperation of the European authorities in investigating the following case. However, that does not diminish the legitimate concern of the American public about the authenticity of the European wine they are buying.

I ask unanimous consent that this report be printed in the RECORD at this point.

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

CASTLETON IMPORTS, INC., LONG ISLAND, N.Y.

This investigation was initiated subsequent to allegations that Castleton Imports, Inc., and its sole corporate officer, Samuel Savitsky, were importing ordinary French table wine, worth about $1 per bottle, with fraudulent high quality "appellation controllee" labels and retailed for inflated prices up to $20 and $30 per bottle.

This investigation was conducted with the assistance of French, British, and Dutch authorities; the U.S. Customs Service, the Department of State, Department of Justice, the Office of International Affairs, and the U.S. Attorney's Office. ATF's participation was from the Offices of Criminal and Regulatory Enforcement, Office of Chief Counsel, Regulatory Audit Staff, and the Office of North Atlantic Regional Counsel.

A case report was submitted on March 18, 1981, charging Castleton Imports, Inc., and Samuel Savitsky with violations of 18 U.S.C. 1001, knowingly and willfully making false, fictitious, or fraudulent statement or document, and 26 U.S.C. 5603(a)(2), making false entry in documents required by this chapter with intent to defraud.

On December 22, 1982, Castleton Imports Inc. pleaded guilty to a 1-count information charging the corporation with 18 U.S.C. 545, smuggling. Mr. Savitsky admitted in court that he and Bernard Grivelet, French producer of Grivelet wines, conspired to import the fraudulent wine. Castleton Imports was fined $10,000 and as part of the plea agreement, the corporation forfeited its basic permit and thus terminated the business. Also, as part of the plea agreement, the corporation was ordered to ship, at their expense, all wines seized in the U.S., approximately 8000-9000 cases, to the French authorities for their seizure.

As a result of the European part of this investigation, Mr. Grivelet was fined $3,000,000; two subjects in Liverpool were sentenced to 18 months in jail and in Holland, one subject was sentenced to five years

imprisonment and subsequently fled the country.

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

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

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

ACTIVITIES UNDER THE OCCUPATIONAL SAFETY AND HEALTH ACT FOR 1982—MESSAGE FROM THE PRESIDENT—PM 82

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying reports; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 26 of the Occupational Safety and Health Act of 1970 (Public Law 91-596), I transmit herewith the 1982 annual reports on the activities under that law of the Department of Labor and of the Department of Health and Human Services.

RONALD REAGAN.

THE WHITE HOUSE, *October 6, 1983.*

MESSAGE FROM THE HOUSE

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

At 11:21 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolutions:

S. 1499. An act to settle certain claims of the Mashantucket Pequot Indians;

H.R. 3813. An Act to amend the International Coffee Agreement Act of 1980;

S.J. Res. 102. Joint resolution to designate the week of October 16, 1983, through October 22, 1983, as "Lupus Awareness Week"; and

S.J. Res. 128. Joint resolution to desginate the day of October 22, 1983, as "Metropolitan Opera Day."

The enrolled bills and joint resolutions were subsequently signed by the President pro tempore (Mr. THURMOND).

At 12:13 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 1894. An act to designate the Foundation for the Advancement of Military Medicine as the "Henry M. Jackson Foundation for the Advancement of Military Medicine," and for other purposes.

The message also announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 96. An act to establish the Lee Metcalf Wilderness and Management Area in the State of Montana, and for other purposes.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2379. An act to provide for the protection and management of the national park system, and for other purposes;

H.R. 3835. An act to designate the U.S. Post Office Building in Oshkosh,Wis., as the "William A. Steiger Post Office Building";

H.R. 3932. An act to amend the District of Columbia Self-Government and Governmental Reorganization Act, and for other purposes; and

H.R. 3959. An act making supplemental appropriations for the fiscal year ending September 30, 1984, and for other purposes.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 184. Concurrent resolution providing for an adjournment of the two Houses from October 6 or 7 until October 17, 1983.

At 4:38 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4101. An act to extend the Federal Supplemental Compensation Act of 1982, and for other purposes.

ENROLLED BILL SIGNED

At 6:25 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker pro tempore (Mr. WRIGHT) has signed the following enrolled bill:

S. 1894. An act to designate the Foundation for the Advancement of Military Medicine as the "Henry M. Jackson Foundation for the Advancement of Military Medicine," and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. THURMOND).

At 7:14 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 1852. An act to extend the expiration date of the Defense Production Act of 1950.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 1556) to authorize the conveyance of the Liberty Ship *John W. Brown.*

The message further announced that the House has agreed to the following resolution:

H. Res. 333. A resolution electing the Honorable Jim Wright from the State of Texas as Speaker pro tempore.

At 7:37 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 4041) to extend the Federal Supplemental Compensation Act of 1982, and for other purposes.

HOUSE MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 2379. An act to provide for the protection and management of the national park system, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 3932. An act to amend the District of Columbia Self Government and Governmental Reorganization Act, and for other purposes; to the Committee on Government Affairs.

H.R. 3959. An act making supplemental appropriations for the fiscal year ending September 30, 1984, and for other purposes; to the Committee on Appropriations.

ENROLLED BILL AND JOINT RESOLUTIONS PRESENTED

The Secretary reported that on today, October 6, 1983, he had presented to the President of the United States the following enrolled bill and joint resolutions:

S. 1499. An act to settle certain claims of the Mashantucket Pequot Indians;

S.J. Res. 102. Joint resolution to designate the week of October 16, 1983, through October 22, 1983, as "Lupus Awareness Week"; and

S.J. Res. 128. Joint resolution to designate the day of October 22, 1983 as "Metropolitan Opera Day".

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S. 489: A bill for the relief of James A. Ferguson (Rept. No. 98-264).

S. 1212: A bill for the relief of 16 employees of the Charleston Naval Shipyard (Rept. No. 98-265).

S. Res 164: A resolution to refer S. 1519, entitled, "A bill for the relief of Frank L. Hulsey", to the Chief Commissioner of the

United States Court of Claims for a report thereon (Rept. No. 98-266).

H.R. 730: A bill for the relief of Ronald Goldstock and Augustus M. Statham (Rept. No. 98-267).

H.R. 732: A bill for the relief of Gregory B. Dymond, Samuel K. Gibbons, Jack C. Kean, James D. Nichols, and Roy A. Redmond (Rept. No. 98-268).

H.R. 745: A bill for the relief of Stephen C. Ruks (Rept. No. 98-269).

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs, with an amendment:

H.R. 3103. An act to increase the amount authorized to be expended for emergency relief under title 23, United States Code, in fiscal year 1983 from $100,000,000 to $250,000,000, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. STAFFORD, from the Committee on Environment and Public Works:

A. James Barnes, of the District of Columbia, to be an Assistant Administrator of the Environmental Protection Agency;

Josephine S. Cooper, of Virginia, to be an Assistant Administrator of the Environmental Protection Agency; and

By Mr. STAFFORD, from the Committee on Environment and Public Works:

John C. Martin, of Virginia, to be Inspector General, Environmental Protection Agency.

(Pursuant to the order of September 20, 1983, referred to the Committee on Governmental Affairs for not to exceed 20 days.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BYRD:

S. 1925. A bill to establish a National Coal Science, Technology, and Engineering Development Program; to the Committee on Energy and Natural Resources.

By Mr. TOWER:

S. 1926. A bill for the relief of Katie Wood, Kathryn Wood, and Nancy Wood of San Antonio, Tex.; to the Committee on the Judiciary.

By Mr. KENNEDY (for himself and Mr. PELL):

S. 1927. A bill to amend the Intelligence Authorization Act for fiscal year 1984 to prohibit U.S. support for military or paramilitary operations in Nicaragua and to authorize assistance, to be openly provided to governments of countries in Central America, to interdict the supply of military equipment from Nicaragua and Cuba to individuals, groups, organizations, or movements seeking to overthrow governments of countries in Central America; to the Select Committee on Intelligence.

By Mr. DURENBERGER (for himself and Mr. BOREN):

S. 1928. A bill to amend the Social Security Act to authorize the conduct of federally assisted pilot projects designed to improve the delivery of services under the various human services programs by establishing integrated service delivery systems for those programs; to the Committee on Finance.

By Mr. D'AMATO:

S. 1929. A bill to amend the Agricultural Act of 1949 and the Agricultural Adjustment Act, as amended and reenacted by the Agricultural Marketing Agreement Act of 1937, to modify the dairy price support program and to establish a minimum price for class I milk subject to milk marketing orders; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DURENBERGER (for himself, Mr. PACKWOOD, Mr. HATFIELD, and Mr. HART):

S. 1930. A bill to amend title 5, United States Code, to provide for equitable support of former spouses, spouses, and children of Federal employees; to the Committee on Governmental Affairs.

By Mr. DURENBERGER (for himself, Mr. PERCY, Mr. BAUCUS, Mr. EXON, Mr. MCCLURE, Mr. HART, and Mr. PRYOR):

S. 1931. A bill to amend the Internal Revenue Code of 1954 to revise the tax incentives for certain alcohol fuels; to the Committee on Finance.

By Mr. JOHNSTON (for himself and Mr. LONG):

S. 1932. A bill to amend section 98 of title 28, United States Code, to permit Federal district court to be held in Houma, La.; to the Committee on the Judiciary.

By Mr. BYRD (for himself and Mr. INOUYE):

S. 1933. A bill to amend the Small Business Act; to the Committee on Small Business.

By Mr. HEINZ (for himself and Mr. SPECTER):

S. 1934. A bill to amend the Railroad Retirement Act of 1974 to make certain adjustments in benefits contingent on the financial condition of the railroad retirement system.

By Mr. HEINZ (for himself, Mr. DANFORTH, and Mr. CRANSTON):

S. 1935. A bill to establish an interagency task force on cigarette safety; to the Committee on Governmental Affairs.

By Mr. QUAYLE (for himself and Mr. KENNEDY):

S. 1936. A bill to amend the Trade Act of 1974; to the Committee on Finance.

By Mr. LEVIN:

S. 1937. A bill to amend the Internal Revenue Code of 1954 to impose an additional excise tax on the sale of certain imported automobiles in the United States; to the Committee on Finance.

By Mr. HATCH:

S. 1938. A bill to amend the Federal Food, Drug, and Cosmetic Act, the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. WALLOP (for himself, Mr. DOMENICI, Mr. BAKER, Mr. BYRD, Mr. MCCLURE, Mr. DURENBERGER, Mr. MATSUNAGA, Mr. HATFIELD, and Mr. FORD):

S. 1939. A bill to amend the Internal Revenue Code of 1954 to extend the period for qualifying certain property for the energy tax credit, and for other purposes; to the Committee on Finance.

By Mr. DANFORTH (for himself, Mr. MITCHELL, Mr. EVANS, Mr. BENTSEN, Mr. GORTON, Mr. MOYNIHAN, Mr. COHEN, Mr. HEINZ, Mr. WALLOP, Mr. SYMMS, and Mr. BAUCUS):

S. 1940. A bill to amend the Internal Revenue Code of 1954 to deny the deduction for amounts paid or incurred for certain advertisements carried by certain foreign broadcase undertakings; to the Committee on Finance.

By Mr. SPECTER:

S. 1941. A bill to establish the Crime Victim's Assistance Fund to provide Federal assistance to State and local programs to aid juvenile and adult victims of crime; to the Committee on the Judiciary.

By Mr. DIXON (for himself and Mr. PERCY):

S. 1942. A bill to amend the Merchant Marine Act of 1936 to provide that government generated cargoes transported on U.S.-flag or foreign vessels shall be shipped at the lowest landed cost, and that the transport of such cargoes shall be subject to a competitive bidding system; to the Committee on Commerce, Science, and Transportation.

By Mr. DIXON (for himself, Mr. PERCY, and Mr. RIEGLE):

S. 1943. A bill to eliminate the collection of tolls on the U.S. portion of the St. Lawrence Seaway, to terminate the St. Lawrence Seaway Development Corporation and establish a St. Lawrence Seaway Development Administration in the Department of Transportation, and for other purposes; to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. ANDREWS:

S. Res. 239. A resolution relative to expenditures by the Select Committee on Indian Affairs; to the Select Committee on Indian Affairs.

By Mr. BYRD (for himself and Mr. RANDOLPH):

S. Res. 240. A resolution to commemorate the 50th anniversary of Jamboree U.S.A.; submitted and placed on the calendar.

By Mr. TSONGAS (for himself, Mr. ABDNOR, Mr. ANDREWS, Mr. ARMSTRONG, Mr. BENTSEN, Mr. BINGAMAN, Mr. BOSCHWITZ, Mr. BRADLEY, Mr. BUMPERS, Mr. Byrd, Mr. CHILES, Mr. COCHRAN, Mr. COHEN, Mr. D'AMATO, Mr. DECONCINI, Mr. DIXON, Mr. DOLE, Mr. DURENBERGER, Mr. EAGLETON, Mr. EXON, Mr. FORD, Mr. GARN, Mr. GLENN, Mr. GRASSLEY, Mr. HART, Mr. HATCH, Mr. HEINZ, Mr. HUDDLESTON, Mrs. KASSEBAUM, Mr. KENNEDY, Mr. LAXALT, Mr. LEVIN, Mr. LUGAR, Mr. MATTINGLY, Mr. MELCHER, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. NICKLES, Mr. PELL, Mr. PRESSLER, Mr. PROXMIRE, Mr. PRYOR, Mr. QUAYLE, Mr. RANDOLPH, Mr. RIEGLE, Mr. RUDMAN, Mr. SARBANES, Mr. SASSER, Mr. SIMPSON, Mr. SPECTER, Mr. STENNIS, Mr. WARNER, Mr. WILSON, Mr. ZORINSKY, Mr. HOLLINGS, Mr. PERCY, and Mr. JEPSEN):

S. Con. Res. 74. A concurrent resolution to encourage and support the people of Afghanistan in their struggle to be free from foreign domination; to the Committee on Foreign Relations.

By Mr. LEAHY (for himself and Mr. WARNER):

S. Con. Res. 75. A concurrent resolution favoring a National Museum of the U.S. Army; to the Committee on Armed Services.

By Mr. DODD (for himself, Mr. PERCY, Mr. PELL, and Mr. KENNEDY):

S. Con. Res. 76. A concurrent resolution to congratulate Lech Walesa, leader of the independent Polish trade union Solidarity, on being awarded the 1983 Nobel Peace Prize; submitted and placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BYRD:

S. 1925. A bill to establish a National Coal Science, Technology, and Engineering Development Program; to the Committee on Energy and Natural Resources.

(The remarks of Mr. BYRD on this legislation and the text of the legislation appear earlier in today's RECORD.)

By Mr. DURENBERGER (for himself and Mr. BOREN):

S. 1928. A bill to amend the Social Security Act to authorize the conduct of federally assisted pilot projects designed to improve the delivery of services under the various human services programs by establishing integrated service delivery systems for those programs; to the Committee on Finance.

DELIVERY OF VARIOUS HUMAN SERVICES

● Mr. DURENBERGER. Mr. President, we are all familiar with the frustration of trying to wade through the bureaucratic redtape of the Federal Government. This problem, while troublesome for all citizens, is particularly difficult for those members of society who are disadvantaged or without formal education. These individuals, often elderly and frail, are frequently confronted by a massive array of paperwork and caseworkers when applying for governmental assistance. They are commonly sent from building to building in order to complete their applications for various Federal programs—frequently in the dead of winter when they have little transportation available.

Not only does this create needless emotional and physical hardship, but these bureaucratic layers often result in duplication of efforts. From a cost perspective, utilization of multiple agency locations, application forms, and other program functions is quite inefficient.

Senator BOREN and I are introducing legislation today in an effort to return efficiency and compassion to our welfare system. My "One Stop" Federal assistance bill would streamline our public assistance programs by establishing an integrated service delivery system.

This bill would authorize funding for four to eight pilot projects to improve the delivery of human services in several ways:

Develop a common set of terms for use in all human service programs involved;

Develop for each applicant a single comprehensive family profile;

Establish and maintain a single resource directory to inform community citizens;

Develop a unified budget process, and

Consolidate agency locations and related transportation services.

I believe this legislation is an important first step in improving delivery of services by the Federal Government in an effective fashion and I urge my colleagues to support this bill.

I ask unanimous consent that the entire test of this legislation be included in the RECORD.

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

S. 1928

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part A of title XI of the Social Security Act is amended by adding at the end thereof the following new section:

"PILOT PROJECTS TO DEMONSTRATE THE USE OF INTEGRATED SERVICE DELIVERY SYSTEMS FOR HUMAN SERVICES PROGRAMS

"SEC. 1135. (a) In order to develop and demonstrate ways of improving the delivery of services to individuals and families who need them under the various human services programs, by eliminating programmatic fragmentation and thereby assuring that an applicant for services under any one such program will be informed of and have access to all of the services which may be available to him or his family under the other human services programs being carried out in the community involved, and State having an approved plan under part A of title IV may, subject to the provisions of this section, establish and conduct one or more pilot projects to demonstrate the use of integrated service delivery systems for human services programs in that State or in one or more political subdivisions thereof.

"(b) The integration of service delivery systems for human services programs in any State or locality under a pilot project established under this section shall involve or include—

"(1) the development of a common set of terms for use in all of the human services programs involved;

"(2) the development for each applicant of a single comprehensive family profile which is suitable for use under all of the human services programs involved;

"(3) the establishment and maintenance of a single resources directory by which the citizens of the community involved may be informed of and gain access to the services which are available under all such programs;

"(4) the development of a unified budget and budgeting process, and a unified accounting system, with standardized audit procedures;

"(5) the implementation of unified planning, needs assessment, and evaluation;

"(6) the consolidation of agency locations and related transportation services;

"(7) the standardization of procedures for purchasing services from nongovernmental sources;

"(8) the creation of communications linkages among agencies to permit the servicing of individual and family needs across program and agency lines;

"(9) the development, to the maximum extent possible, of uniform application and eligibility determination procedures; and

"(10) any other methods, arrangements, and procedures which the Secretary determines are necessary or desirable for, or consistent with, the establishment and operation of an integrated service delivery system.

"(c)(1) Any State which desires to establish and conduct a pilot project under this section, after having published a description of the proposed project and invited comments thereon from interested persons in the community or communities which would be affected, may submit an application to the Secretary (in such form and containing such information as the Secretary may require) within 18 months after the date of the enactment of this Act. The proposed project may be statewide in operation or may be limited to one or more political subdivisions of the State; and the application shall in any event include or be accompanied by satisfactory assurances that the project as proposed would be permitted under applicable State and local law.

"(2) The Secretary shall consider all applications and accompanying comments and materials which are submitted to him under paragraph (1), and shall approve not less than four nor more than eight of the proposed projects (including not more than two such projects to be operated on a statewide basis). In considering and approving such applications the Secretary shall take into account the size and characteristics of the population that would be served by each proposed project, the desirability of wide geographic distribution among the projects, the number and nature of the human services programs which are in active operation in the various communities involved, and such other factors as may tend to indicate whether or not a particular proposed project would provide a useful and effective demonstration of the value of an integrated service delivery system.

"(d) Any State whose application is approved under subsection (c) is authorized to waive any of the requirements which would otherwise apply with respect to the proposed project under the laws governing the human services programs to be included in the project, if and to the extent that the Secretary determines (and certifies to the State in writing) that such waiver is necessary for the project to provide a useful and effective demonstration of the value of an integrated service delivery system.

"(e) The Secretary shall from time to time pay to each State which has an approved pilot project under this section, in such manner and according to such schedule as may be agreed upon by the Secretary and such State, amounts equal in the aggregate to—

"(1) 90 percent of the costs incurred by such State and its political subdivisions in carrying out such project during the first 12 months after the date on which the project begins,

"(2) 80 percent of any such costs incurred during the second 12 months after such date, and

"(3) 70 percent of any such costs incurred during the third 12 months after such date.

"(f) If the establishment and conduct of any pilot project approved under this section results in financial savings in the operation of the human services programs involved and successfully demonstrates that the use of integrated service delivery systems for such programs in the manner pro-

vided under such project would ensure or enhance proper caseload management in the project area (as determined by the Secretary in consultation with the State conducting such project), the amount of the savings (as so determined) shall to the extent feasible be placed in a separate account and used to increase or improve the aid, assistance, benefits, or help being provided in that State under those programs. For this purpose the amount of any such savings shall be distributed among the human services programs involved in such manner as will best reflect the relative need for additional funds under the various programs, the relative ability of such programs to utilize additional funds effectively, and the particular programs (if determinable) to which the savings are most directly attributable, as agreed upon by the Secretary and the State.

"(g)(1) For purposes of this section, the term 'human services program' includes the program of aid to families with dependent children under part A of title IV, the supplemental security income benefits program under title XVI, the Federal food stamp program, and any other Federal or federally assisted program which provides aid, assistance, or benefits based wholly or partly on need or on income-related qualifications to specified classes or types of individuals or families or which is designed to help in crisis or emergency situations by meeting the basic human needs of individuals or families whose own resources are insufficient for that purpose.

"(2) In carrying out his duties under this section the Secretary shall regularly consult with the Secretary of Labor, the Secretary of Agriculture, the Secretary of Housing and Urban Development, and the head of any other Federal agency having jurisdiction over or responsibility for one or more human services programs, in order to ensure that the administrative efforts of the various agencies involved are coordinated with respect to all of the pilot projects being carried out under this section.

"(3) Any determination and certification by the Secretary with respect to the waiver of a requirement of law under subsection (d), where such law is within the jurisdiction of a Federal agency other than the Department of Health and Human Services, shall be made only with the express approval of the head of such other agency.

"(h) The Secretary shall require each State which is carrying out a pilot project under this section to submit periodic reports on the progress of such project, giving particular attention to the cost-effectiveness of the integrated service delivery system involved and the extent to which such system is improving the delivery of services. No pilot project under this section shall be conducted for a period of longer than 3 years.

"(i) There are authorized to be appropriated, for each of the three fiscal years 1984, 1985, and 1986, such sums as may be necessary to carry out this section.".●

By Mr. D'AMATO:

S. 1929. A bill to amend the Agricultural Act of 1949 and the Agricultural Adjustment Act, as amended and reenacted by the Agricultural Marketing Agreement Act of 1937, to modify the dairy price support program and to establish a minimum price for class I milk subject to milk marketing orders; to the Committee on Agriculture, Nutrition, and Forestry.

DAIRY FARMER PROTECTION ACT OF 1983

● Mr. D'AMATO. Mr. President, I rise today to introduce the Dairy Farmer Protection Act of 1983. This legislation would impose a policy designed to relieve the Government of its large purchases of dairy products and at the same time, protect the dairy industry from a swift disruption which would endanger many small, family-run farms.

In order to reduce the high levels of spending required by the current program, the price support for class II dairy products, such as cheese and dry milk, would be dropped by $1.25—from $13.10 to $11.85—while the price of class I dairy products would remain frozen at $13.10. The two current 50-cent assessments on dairy production would be eliminated. I believe this represents the best solution to the dilemma we now face for a number of reasons.

Most importantly, this compromise would result in the greatest possible reduction in the dairy surplus which the Government must purchase. The underlying reason for this is the inelasticity of demand for fluid milk. No disincentive, such as a price support cut, would result in a significant reduction in the demand for fluid milk. Such a disincentive to production, however, will result in a lessening of the current surplus of nonfluid dairy products. Thus, if we are sincere in our desire to reduce Federal expenditures for dairy programs, while not doing undue injury to dairy farmers, this is the best course to follow.

Those farmers who produce fluid milk for market are not the ones responsible for the unprecedented situation in which we now find ourselves. They should not be asked to bear the burden of corrective measures that will have a drastic effect on their incomes. The dairy industry is responsible for only a small portion of the rising cost of the farm program. It is not reasonable that it—and it alone—should be singled out for a very large cut in Federal support. It is especially true that it should not be singled out for an indiscriminately targeted cut that unjustifiably imposes increased taxes on those producers of fluid milk who now sell all of their products on the open market.

Since the advent of the PIK program, the cost of production for dairy farmers has risen dramatically. If the price of fluid milk were frozen at $13.10 per hundredweight, the market would soon produce the reduced levels of production necessary to meet demand. If the price support were cut from $1 to $1.50 as many now espouse, rural economies, which are essentially dependant upon the dairy industry, would be jeopardized. If, instead, a 50-cent price support decrease, in combination with a retained 50-cent assessment and a diversion payment plan were to be adopted, it is certain that many large dairy farmers would simply take their herds out of production and realize a greater income than would have been the case if milk were produced. That is a phenomena which I would have a great difficulty justifying.

For all these reasons, I believe Congress should adopt the recommendations in this legislation. If we are going to cut price support and levies, let us cut them only for the dairy products the Federal Government actually purchases. Let us not cut them or impose taxes on those products that are sold at market. This is the only fair way to reduce dairy production and save the Government money, without crippling the entire dairy industry.

There is no justification for singling out dairy farmers to bear the brunt of reductions in expenditures for the farm program. I urge my colleagues to adopt this legislation and I ask unanimous consent that it be printed in the RECORD in its entirety.

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

S. 1929

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Dairy Farmer Protection Act of 1983".

DAIRY PRICE SUPPORT PROGRAM

SEC. 2. (a) Subsection (c) of section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446(c)) is amended to read as follows:

"(c)(1) The price of milk shall be supported at not less than $11.85 per hundredweight of milk containing 3.67 per centum of milkfat.

"(2) The price of milk shall be supported through the purchase of milk and the products of milk.".

(b) Subsection (d) of section 201 of such Act is repealed.

MINIMUM PRICE FOR CLASS I MILK UNDER MILK MARKETING ORDERS

SEC. 3. Section 8c(5)(A) of the Agricultural Adjustment Act, as amended and reenacted by the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 608c(5)(A)), is amended by adding at the end thereof the following new sentence: "Notwithstanding any other provision in this section, in the case of milk and its products, orders issued pursuant to this section shall fix, or provide a method for fixing, the minimum price for milk classified as class I milk under this paragraph at no less than $12.56 per hundredweight.".●

By Mr. DURENBERGER (for himself, Mr. PACKWOOD, Mr. HATFIELD and Mr. HART):

S. 1930. A bill to amend title 5, United States Code, to provide for equitable support of former spouses, spouses, and children of Federal employees; to the Committee on Governmental Affairs.

FEDERAL EMPLOYEES' FAMILY EQUITY ACT OF 1983

● Mr. DURENBERGER. Mr. President, although a great deal of progress has been made toward providing pension rights for divorced and widowed spouses of Federal employees, civil service spouses remain unprotected. Because the courts have not considered civil service pension rights as valid property rights in divorce, many women have found that the retiree walks away from divorce with full retirement benefits and health insurance while she is left nothing.

Consider the case of the "too typical" divorced civil service spouse. She was married at age 21 and left the workplace at age 25 to raise her family. At age 40, she found her marriage dissolving and by age 45 was raising her family alone.

Because she was not employed outside the home for 22 years, she quickly found herself with insufficient job training and experience. Although she may receive adequate child support, statistics predict that she will not.

In far too many cases, this woman may find herself reaching retirement age without any pension benefits. She undoubtedly anticipated, at the time of her divorce, that she would be entitled to receive a portion of her husband's civil service pension or, at the very least, social security. If she is fortunate, and has worked long enough, she may receive some minimal amount of social security. In many cases, however, she will not.

As a result of current public pension laws, the civil service pension benefits she had anticipated will not be available to her. Without adequate pension protection, she may soon find herself unable to remain self-sufficient and will be forced to turn to public assistance for support.

This situation is shocking, but it is not unusual. The plight of the displaced homemaker is becoming well recognized in a society where nearly half of all marriages end in divorce. Recent statistics revealing the percentage of women and children living in poverty are frightening. Equally startling are statistics identifying growing numbers of elderly women living in poverty.

Congress began to address this issue by amending the Social Security Act in 1977 to provide pension benefits for divorced spouses married 10 years or more. However, even these basic protections were not afforded a significant number of women married to Federal employees. For military and civil service employees, their spouses do not automatically receive social security—something they often fail to discover until it is too late.

In 1980, Congress enacted legislation to permit divorced spouses of Foreign Service personnel to receive a pro rata share of their former husband's retirement annuity and survivor's benefits, subject to court review modification or rejection.

In 1982, additional legislation was passed to provide similar protections for CIA spouses. Military wives were also the subject of pension rights legislation in 1982.

Unfortunately, these pieces of legislation did not go far enough, and civil service spouses remain outside the scope of any protective pension legislation. Not only are former spouses frequently left without pension rights, but widows of civil service employees may also be ineligible for pension benefits. Current law allows a civil service employee to opt out of survivor's benefits without notification to the spouse or former spouse. As a result, many widows find themselves without retirement income without any notification prior to the employee's death.

I am introducing today, the Federal Employees Family Equity Act of 1983 which addresses these problems and is identical to the public pension provisions of title I of the Economic Equity Act of 1983, S. 888.

This legislation will help to remove the inequities faced by divorced and widowed spouses of civil service employees and grant them pension protection similar to that afforded Foreign Service and CIA spouses. The provisions would:

Entitle women who were married to civil service employees for at least 10 years to the right to a pro rata share of the benefits earned during the marriage. This provision is subject to court review and modification, depending on the divorce settlement.

Demand that the courts view pensions as a valid property right.

Mandate survivor's benefits unless the spouse and former spouse choose to waive receipt of such benefits.

Mr. President, this legislation is an effective, equitable, and practical way to deal with this serious problem. Although I am pleased that attention is being focused on this issue, I believe the most effective way for Congress to address economic discrimination is to pass the Economic Equity Act with all its reinforcing provisions.

In June, the Senate Finance Committee formally examined the Economic Equity Act. It was the first time any committee of the U.S. Congress had thoroughly considered such a comprehensive piece of legislation to eliminate discrimination against American women. I am even more convinced, after reflecting on testimony presented at those hearings and correspondence I have received, of the serious need for pension equity.

I recently received a letter from a constituent, 52 years old, crippled with arthritis, with a mentally retarded and handicapped child which poignantly identifies the urgency of reform.

We are now in the process of a divorce, and this is where I have a great problem and desperately need some help. I am listed as his beneficiary on a survivor's annuity from the Government, but, I understand that with the divorce, I will no longer benefit from this plan. To me, this is really unfair. The Government Retirement Plan took the place of social security so I will not be receiving this. This survivors annuity plan was supposed to be for my benefit later in life.

I urge my colleagues to act favorably on this legislation in the near future. Society will benefit from these changes.●

By Mr. DURENBERGER (for himself, Mr. PERCY, Mr. BAUCUS, Mr. EXON, Mr. MCCLURE, Mr. HART, and Mr. PRYOR):

S. 1931. A bill to amend the Internal Revenue Code of 1954 to revise the tax incentives for certain alcohol fuels; to the Committee on Finance.

TAX INCENTIVES FOR CERTAIN ALCOHOL FUELS

● Mr. DURENBERGER. Mr. President, today I am joined by a number of my colleagues in introducing legislation that constitutes a wise investment in our energy future. It deals with an industry that has demonstrated its positive contributions to the Nation's agricultural and energy security, as well as environmental and job creation objectives. The bill we are introducing here today would increase by 4 cents the current exemption for ethanol-enhanced fuel—commonly known as gasohol—to equal the full 9 cents of the excise tax. In doing so, it also helps to surmount a major impediment to the industry's development by providing for a uniform Federal policy.

Since the enactment of the first fuel ethanol tax exemption, in the Energy Tax Act of 1978, private sector investment in the production of this liquid fuel extender and octane enhancer has been nothing short of remarkable. Despite a temporary oil glut and soft market prices, as well as threatened reversals in Federal energy policy, the fuel ethanol industry has in only 5 short years become the most significant high grade liquid fuel alternative in the United States. From less than 1 billion gallons of 10-percent ethanol-enhanced fuel blend sold in 1981, the levels have risen dramatically to 2.5 billion gallons in 1982, 4.3 billion gallons expected in 1983, and over 5 billion gallons in 1984. This success stands in stark contrast to the virtual paralysis of the other, more highly touted liquid fuel alternatives like oil shale and tar sands. The fuel ethanol industry has soundly disproven the claims of early detractors who said it would never work. It works indeed.

Recent analyses of the fuel ethanol industry have filled volumes, but it is worth listing the major elements of its

uniqueness that have led to its suprising growth:

Fuel ethanol is derived from a renewable resource with most first-generation facilities utilizing agricultural commodities canning wastes, and forestry residues. Rapid advances in technology will expand this feedstock base considerably;

In drawing on feedgrains as a source of fuel ethanol, the industry offers a significant, stable new market for U.S. agriculture, thus helping to reduce taxpayer outlays for surplus farm programs while simultaneously stimulating a key sector of the U.S. economy;

The production of fuel ethanol provides a double boost to improve the Nation's trade balance: It transforms the starch portion of surplus feedgrains into a high grade liquid fuel that backs out costly imported crude oil, while also preserving all the original protein, vitamins, and minerals in a concentrated feed product that has amply-demonstrated export demand;

The fuel ethanol industry allows those dollars that would otherwise be exported to foreign oil producers to be instead invested productively in the United States. A recent analysis done for the DOE's Office of Alcohol Fuels found each gallon of annual ethanol production capacity generates roughly $4 to $4.50 of new economic activity;

Fuel ethanol is a proven compatible liquid fuel additive that extends gasoline supplies by at least 10 percent, increases blend octane by roughly 3 points, and enjoys full warranty coverage by virtually every U.S. automobile company. Already, at least one substantial U.S. refinery is blending ethanol directly at the refinery in place of the more conventional octane enhancement additives that are petroleum based;

As one of the paramount replacements for lead as an octane enhancer, fuel ethanol helps protect the Nation's health. EPA's recent health-motivated tightening of lead-in-gasoline standards will cause a substantial "octane gap" that can be filled by ethanol. The Nation's children, motorists, and refiners would benefit from the growth of fuel ethanol production, enabling the widespread blending of medically safe, high octane ethanol in gasoline.

Like any other investment, stimulation of the fuel ethanol industry will not come without up-front costs. The externality costs of conventional energy forms usually are not reflected in the marketplace—for example, the price of a gallon of gasoline at the pump does not reflect the costs to the taxpayers of maintenance of a Rapid Deployment Force to keep the oil supply lanes open, or the economic damage caused by exporting billions of dollars to foreign producers each year. For this reason, fuel ethanol costs are currently higher than gasoline and other petroleum-derived octane enhancing additives. During this formative period, the fuel ethanol industry needs tax incentives to allow it to remain competitive in the marketplace. These incentives, as we have seen, pay very significant dividends in a broad range of national goals.

In short, fuel ethanol—while far from a panacea—carries many benefits that, taken together, make it an important part of a consistent, uniform, national energy policy. Thirty-five States have acknowledged this fact with their own fuel tax incentives designed to complement the current 5-cent Federal exemption, in an effort to make fuel ethanol competitive at the pump. While these varied State incentives have played a key role in the industry's development over the past 5 years, the resulting lack of uniformity is a potentially serious impediment to the maturation of the fuel ethanol industry.

For example, the exemption in New Mexico is 11 cents per gallon but it is extended only to in-State produced ethanol. Kentucky's exemption is 3.5 cents per gallon which is qualified by requiring reciprocity treatment by other States for Kentucky's product and requiring that qualifying fuel alcohol be produced from facilities that utilize other than petroleum or natural gas for process energy. While many terms at the State level are now being extended to match the Federal expiration date of 1992, there still is a wide array of expiration dates in the various States, further complicating investment and marketing decisions.

The legislation we are introducing here today would allow an end to the patchwork approach. More importantly, it would provide the needed stimulus without any net increase in total exemption levels—since the weighted average of the current exemption of Federal/State exemptions is 9 to 9.5 cents per gallon—simply by shifting part of the burden from the States to the Federal Government to achieve uniformity.

This shift makes good sense from a budgetary point of view, too. As chairman of the Subcommittee on Intergovernmental Relations, I have spent a great deal of time in an effort to identify the best means of achieving an appropriate balance in the shouldering of Federal and State responsibilities. It would seem that one major criterion for deciding where the incidence of a program's cost should fall is to determine where the bulk of the benefits would go. In the case of the fuel ethanol industry, there can be little question but that the major beneficiary is the Federal taxpayer. It has been amply demonstrated in the past 5 years that the fuel ethanol industry provides significant net returns to the Federal Treasury as a result of the combination of all of its positive impacts.

The logical extension of this argument has led us to include a provision that would reimburse the highway trust fund from the windfall profits tax account for the amount of tax revenues forfeited from the fund due to exempted fuel alcohol blend sales. It makes sense for us to reimburse the trust fund so that the attainment of a uniform Federal policy for fuel ethanol does not occur at the expense of our infrastructure repair goals. This reimbursement mechanism also makes sense from the standpoint of where the paybacks go: At the present time, the highway trust fund's loss is actually the general fund's direct gain. This is so because gasoline retailers are able to increase their incomes—and so pay more income tax when they sell exempted fuel alcohol blends. Because these retailers have higher taxable income, the general fund gains revenue, while the highway trust fund loses. The provision in this legislation to reimburse the fund will correct this imbalance, and put the full incidence of the costs where the benefits occur.

One only has to consider the costly dilemma facing our agricultural sector to understand that it is time for us to take action. While U.S. agricultural productivity has grown steadily over the past decade, domestic utilization and exports have expanded more slowly, or even declined. As a result of record grain surpluses, Agriculture Secretary John Block was forced to implement the PIK program, in which surplus commodities were given to producers as an incentive to idle acreage and reduce production. When added to the soaring costs of the traditional farm programs, the PIK brought outlays for this fiscal year to over $30 billion. A uniform national policy to stimulate a vigorous fuel ethanol industry would be a wise step toward avoiding future PIK's. A dollar spent in stimulating fuel ethanol production capacity is far more productive than a dollar spent to idle large percentages of our farm sector.

The fuel ethanol industry provides the Federal taxpayer with one of the best possible returns on the dollar. It provides a stable outlet for U.S. agricultural surpluses. It is an environmentally safe alternative to lead in gasoline as an octane enhancer. It would establish a technological base for an industry that will someday convert a wide range of abundant renewable and waste materials to fuel ethanol at a competitive price creating jobs and expanding tax bases. Finally, a viable fuel ethanol industry would enhance our national security by backing out expensive imported petroleum.

Mr. President, I ask unanimous consent that the bill along with the section-by-section analysis be printed in the RECORD.

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

S. 1931

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

SECTION 1. SHORT TITLE—AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be acted as the "Renewable Fuels Tax Incentives Act."

(b) AMENDMENT OF 1954 CODE.— Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. EXCISE TAX EXEMPTIONS.

(a) EXEMPTION FROM EXCISE TAX ON GASOLINE.—

(1) INCREASE IN EXEMPTION.—Paragraph (1) of section 4081(c) (relating to gasoline mixed with alcohol) is amended by striking out "subsection (a) shall be applied by substituting '4 cents' for '9 cents' in the case of any gasoline" and inserting in lieu threof "no tax shall be imposed on the sale of any gasoline."

(2) TREATMENT OF LATER SEPARATION.—Paragraph (2) of section 4081(c) is amended to read as follows:

"(2) LATER SEPARATION OF GASOLINE.—If any person separates the gasoline from a mixture of gasoline and alcohol on which tax was not imposed by reason of this subsection, or with respect to which a credit or payment was allowed or made by reason of section 6427(f)(1)."

(b) EXEMPTION FROM EXCISE TAXES ON DIESEL AND SPECIAL FUELS.—

(1) INCREASE IN EXEMPTION.—Paragraph (1) of section 4041(k) (relating to fuels containing alcohol) is amended to read as follows:

"(1) IN GENERAL.—Under regulations prescribed by the Secretary, no tax shall be imposed by this section on the sale or use of any liquid fuel at least 10 percent of which consists of alcohol (as defined in section 4081(c)(3)."

(2) LATER SEPARATION OF FUEL.—Paragraph (2) of section 404(k) is amended to read as follows:

"(2) LATER SEPARATION.—If any person separates the liquid fuel from a mixture of the liquid fuel and alcohol on which tax was not imposed by reason of this subsection, such separation shall be treated as a sale of the liquid fuel."

(c) REFUNDS ON TAX PAID GASOLINE.—Subsection (f) of section 6427 (relating to fuels not used for taxable purposes) is amended to read as follows:

"(f) GASOLINE USED TO PRODUCE CERTAIN ALCOHOL FUELS.—

"(1) IN GENERAL.—Except as provided in subsection (i), if any gasoline on which tax is imposed by section 4081 is used by any person in producing a mixture described in section 4081(c) which is sold or used in such person's trade or business, the Secretary shall pay (without interest) to such person an amount equal to the aggregate amount of the tax imposed on such gasoline. The preceding sentence shall not apply with respect to any mixture sold or used after December 31, 1992.

"(2) COORDINATION WITH OTHER REPAYMENT PROVISIONS.—No amount shall be payable under subsection (d) or (e) of this section or under section 6420 or 6421 with respect to any gasoline with respect to which amount is payable under paragraph (1)."

(d) FLOOR STOCKS REFUNDS.—

(1) IN GENERAL.—Where, before January 1, 1984, any tax-repealed article has been sold by the manufacturer, producer, or importer and on such day is held by a dealer and has not been used and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer or importer an amount equal to the tax paid by such manufacturer, producer, or importer on his sale of the article if—

(A) claim for such credit or refund is filed with the Secretary of the Treasury or his delegate before October 1, 1984, based on a request submitted to the manufacturer, producer, or importer before July 1, 1984, by the dealer who held the article in respect of which the credit or refund is claimed, and

(B) on or before October 1, 1984, reimbursement has been made to the dealer by the manufacturer, producer, or importer in an amount equal to the tax paid on the article or written consent has been obtained from the dealer to allowances of the credit or refund.

(2) ELIMINATION OF ELIGIBILITY FOR CREDIT OR REFUND.—No manufacturer, producer, or importer shall be entitled to credit or refund under paragraph (1) unless he has in his possession such evidence of the inventories with respect to which the credit or refund is claimed as may be required by regulations prescribed by the Secretary of the Treasury or his delegate under this subsection.

(3) OTHER LAWS APPLICABLE.—All provisions of law, including penalties, applicable with respect to the tax imposed by section 4081 shall, insofar as applicable and not inconsistent with paragraphs (1) and (2) of this subsection, apply in respect of the credits and refunds provided for in paragraph (1) to the same extent as if the credits or refunds constituted overpayments of the tax.

(4) SPECIAL RULES.—For purposes of this subsection—

(A) the term "dealer" includes a wholesaler, jobber, distributor or retailer.

(B) An article shall be considered as "held by a dealer" if title thereto has passed to such dealer (whether or not delivery to him has been made) and if for purposes of consumption title to such article or possession thereof has not at any time been transferred to any person other than a dealer.

(C) The term "tax-repealed article" means any article on which a tax was imposed by section 4081 as in effect on December 31, 1983, and which will not be subject to tax under section 4081 as in effect on January 1, 1984.

(D) Except as otherwise expressly provided herein, any reference in this subsection to a section or other provision shall be treated as a reference to a section or other provision of the Internal Revenue Code of 1954.

(e) TRANSFER OF FLOOR STOCKS REFUNDS FROM HIGHWAY TRUST FUND.—The Secretary of the Treasury shall pay for time to time from the Highway Trust Fund into the general fund of the Treasury amounts equivalent to the floor stocks made under this section.

SEC. 3. ALCOHOL; CREDIT TARIFF.

(a) CREDIT FOR ALCOHOL USED AS A FUEL.—Section 44E (relating to alcohol used as a fuel) is amended—

(1) by striking out "50 cents" each place it appears and inserting in lieu thereof "90 cents," and

(2) by striking out "37.5 cents" each place it appears and inserting in lieu thereof "67.5 cents."

(b) TARIFF ON ALCOHOL IMPORTED FOR USE AS A FUEL.—Item 901.50 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by striking out "50 cents per gallon" each place it appears and inserting in lieu thereof "90 cents per gallon."

SEC. 4. TRANSFER OF CERTAIN WINDFALL PROFIT TRX REVENUES TO THE HIGHWAY TRUST FUND.

Subsection (b) of section 9503 (relating to transfers to Highway Trust Fund) is amemded—

(1) by striking out the heading and inserting in lieu thereof "(b) TRANSFERS TO THE HIGHWAY TRUST FUND.—", and

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

"(4) CERTAIN WINDFALL PROFIT TAX REVENUES.—Notwithstanding any other provisions of law, there is hereby appropriated to the Highway Trust Fund out of the Windfall Profit Tax Account in the general fund of the Treasury an amount equal to the sum of—

"(A) the excess of—

"(i) the amount of taxes which the Secretary estimates would have been imposed by section 4041 or 4081 and received into the Treasury after December 31, 1983, and before January 1, 1993, if the amendments made by section 2 of the Renewable Fuels Tax Incentives Act had not been enacted, over

"(ii) the amount of taxes actually imposed by section 4041 or 4081 and received into the Treasury after December 31, 1993, plus

"(B) the amount of credits or refunds allowed—

"(i) by reason of the amendments made by section 2 of the Renewable Fuels Tax Incentives Act—

"(I) under section 39 with respect to fuel used before January 1, 1993, or

"(II) under section 6427(f) (but only if such refund is paid before July 1, 1993), or

"(ii) under section 2(d) of the Renewable Fuels Tax Incentives Act.".

SEC. 5. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise provided in this section, the amendments made by this Act shall take effect on January 1, 1984.

(b) TARIFF ON IMPORTED ALCOHOL.—The amendment made by section 3(b) of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after December 31, 1983.

SECTION-BY-SECTION ANALYSIS OF THE RENEWABLE FUELS TAX INCENTIVES ACT

Section 1. This section names the short title of the bill as the "Renewable Fuels Tax Incentives Act," and establishes that this Act shall amend the 1954 Internal Revenue Code where appropriate.

Section 2. This section amends current law to provide that the exemption for renewably-derived alcohol fuel blends shall be increased from its existing level of 5 cents per gallon to 9 cents per gallon. As under existing law, this exemption is extended to gasoline, diesel, and "special fuel" blends which contain at least 10 percent of renewably-derived alcohol. Current law is maintained as far as providing protections against later separation of the mixture to prevent resale of the liquid without tax. Provision is also made in this section for the refund of allowable levels to a taxpayer who has demonstrated the legal blending of alco-

hol with a tax-paid blend of gasoline (limiting such treatment to the current statutory limit of the exemption itself of December 31, 1992). This section also covers certain technical matters relating to the handling of eligible fuel alcohol/gasoline blends, including the treatment of floor stocks that is consistent with current law.

Section 3. This section again tracks with current law by bringing the existing so-called "blender tax credit" (which can be used by blenders such as refineries in lieu of the excise tax exemption in percentages varying from one to ten percent) and the tariff on imported alcohol used for fuel into conformity with the change in the excise tax exemption. The blender tax credit is applied to each gallon of ethanol used, and will figure more prominently as the nation's refineries begin to use more ethanol as an octane enhancer to replace lead. This credit is also allowable to small scale producers who produce their own fuel and use it directly in their own equipment at a reduced rate to reflect the reduced proof (increased water content) of that type of alcohol. The credit is a taxable and nonrefundable credit.

Section 4. This section provides that the Highway Trust Fund will be reimbursed from Windfall Profits Tax funds on a quarterly basis as the IRS receives the quarterly excise tax payments and exemption tallies from gasoline retailers.

Section 5. This section establishes the effective dates for the various provisions, which in all cases is set at January 1, 1984, with the exception of the tariff on imported alcohol, which is set for December 31, 1983.●

● Mr. PERCY. Mr. President, today I am joining a number of my colleagues in introducing legislation which would continue to stimulate the alcohol fuels industry—an industry that has proven to utilize our surplus agricultural commodities to produce liquid energy. Since 1978, we have had the rare opportunity to witness the birth of the domestic fuel ethanol industry that today is one of the most significant high grade fuel alternatives in the marketplace. While not a total replacement for imported crude, the alcohol fuels industry provides jobs, a renewable domestic energy supply, increased agricultural productivity, positive environmental impacts, and ties these elements together in a way that results in a substantial return to the taxpayer. In addition to these tangibles which enhance our economic "balance sheet," there are many intangibles that bolster our energy and national security and contribute to political stability both at home and abroad.

As chairman of the Foreign Relations Committee, I am particularly concerned about the continuing oil supply vulnerability. A recent report by the International Energy Agency concluded that, if the existing Iran-Iraq war was to escalate, and we were to have a shortfall of only 12 percent in our oil supply, we could face serious economic problems.

Five years ago, I joined with a number of my colleagues to put in the Energy Tax Act of 1978 that provided a 4-cent exemption from the Federal excise tax on gasoline for renewably derived alcohol blends. Since that time, there have been over 100 alcohol fuel plants built in 33 States and plans to build more in 48 States, including Alaska and Hawaii. The current fuel ethanol capacity is equivalent to over $2 billion of new economic activity. The fuel ethanol industry is dispersed and diversified. It currently utilizes agricultural feedstocks, wood residues, food processing wastes (like cheese whey) to produce what is currently the most significant renewable liquid fuel extender and octane enhancer available in the United States. In 1983, just 5 short years after its inception, this industry will produce over 400 million gallons of fuel ethanol that is compatible with the existing gasoline distribution system and enjoys full warranty coverage by all the major domestic and imported automobile manufacturers. Moreover, the Environmental Protection Agency recently imposed strict restrictions on the use of lead in gasoline—increasing the importance of ethanol as an octane enhancer.

In a time of tight budgets, 35 States have passed legislation to supplement the Federal Government's efforts to promote the use of alcohol fuels and reduce our oil imports and political vulnerability. I am proud to say the State of Illinois has been a leader in this field. Our fuel ethanol industry has been a terrific success story over the past few years. Just look at the statewide facts:

Ethanol capacity, 286,500,000 gallons; Operating plants, 11; Corn utilization, 114,600,000 bushel per year; Capital investment, $429,750,000; Direct employment, 3,131; Increased crop value, $523,000,000; and Product value, $630,000,000.

Illinois' success in this area is no secret, and many other States are pursuing vigorous fuel ethanol programs. Both large and small scale plants can benefit all regions of the United States. Processing grain into ethanol produces a high protein byproduct—a product now sold in limited quantities overseas.

Mr. President, I strongly urge my colleagues to carefully consider the many benefits of this legislation, and the industry it would advance. By injecting needed uniformity into the national program, we would allow States to remove themselves from the burden of expanding an industry that addresses national energy, agricultural, and environmental objectives. Traditionally, programs that contribute to energy and agricultural security have been mounted by the Federal Government, not the States. I strongly believe the same rationale applies here.●

By Mr. JOHNSTON (for himself and Mr. LONG):

S. 1932. A bill to amend section 98 of title 28, United States Code, to permit Federal district court to be held in Houma, La.; to the Committee on the Judiciary.

HOLDING FEDERAL DISTRICT COURT IN HOUMA, LA.

● Mr. JOHNSTON. Mr. President, today I am pleased to introduce S. 1932, legislation which designates Houma, La., as a place to hold court for the eastern district of Louisiana.

Presently, court for the eastern district may only be held in New Orleans. This limitation places an undue burden on a growing number of citizens from the southeast Louisiana gulf coast region who must travel long distances to New Orleans for Federal court appearances. This region is comprised of the parishes of Terrebonne, St. John the Baptist, St. James, Assumption, and Lafourche.

Mr. President, legislation similar to what I am introducing today was first introduced by Senators ELLENDER and LONG in 1971. The need to hold court in Houma was apparent then and it has grown in magnitude since that time.

For example, in 1981, approximately 875 cases, or 16 percent of the district's annual caseload, involved claims from this five-parish area or residents of the area as plaintiffs, defendants, or attorneys. Furthermore, many jurors are chosen from this area. Some of these individuals find it necessary to travel up to 4 hours round trip per day when they must appear in district court. The situation is even worse for those who must rely on public transportation. Bus and train service is sparse to nonexistent in many of the small towns that comprise the southeast Louisiana gulf coast region. Consequently, prospective jurors are often required to spend the night in New Orleans in order to assure that they are in court at the proper time.

Furthermore, a recent study of the eastern district indicates that this five parish area is one of the fastest growing areas in the State in terms of employment, new business formation, and per capita income. In fact, during the past decade, the number of jobs in this area increased by almost 130 percent in the construction, manufacturing, and mining industries. Supporting service-type industries have also expanded during this period, resulting in a 93-percent increase in transportation-related jobs and a 158-percent increase in finance, real estate, and insurance-related employment.

This region is growing almost twice as fast as the New Orleans metropolitan area. The Houma-Thibodaux corridor now has a population of over 100,000 people and it was recently designated by the Department of Commerce as a standard metropolitan statistical area. This tremendous growth is expected to outpace the State and

national growth rates for the next two decades.

Mr. President, obviously, the time has come to designate Houma as a place for holding court in the eastern district of Louisiana. It is inevitable that the continuing growth of the southeastern Louisiana gulf coast region will result in an increase in Federal litigation. The expense and time factors related to this litigation will be aggravated unnecessarily if the eastern district continues to only hold court in New Orleans.

The designation of Houma as a place for holding court has been unanimously approved by the district judges of the eastern district of Louisiana, by the Fifth Circuit Judicial Conference, and by the Judicial Conference of the United States. The designation has also received the support of the mayor and board of aldermen of the city of Houma. It is now time for the Congress to act on this matter. Consequently, I urge my colleagues to expeditiously approve this legislation.

I ask that the text of S. 1932 be printed in the RECORD.

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

S. 1932

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 98(a) of title 38, United States Code, is amended by inserting "and Houma" after "New Orleans".●

● Mr. LONG. Mr. President, I join as a cosponsor of the bill introduced today by my colleague from Louisiana, to designate the city of Houma, La., as a place for holding U.S. District Court in the Eastern District of Louisiana. This bill addresses the needs of individuals residing in the five Louisiana parishes of Assumption, St. James, St. John the Baptist, Terrebonne, and Lafourche. Passage of this measure will also promote judicial efficiency and has the official support of the judges within the district.

At the present time, Mr. President, all lawsuits filed in the eastern district of Louisiana are tried in New Orleans. However, approximately 16 percent of the cases filed within the district involve claims related to the Houma area, and those parishes nearby. As a result, even though there are a significant number of cases arising within the immediate vicinity, litigants and jurors residing in the Houma area are required to travel long distances, at great hardship, to appear in court in New Orleans. The bill introduced today addresses this problem by designating Houma as a place for holding court within the eastern district of Louisiana.

This designation has the unanimous approval of the district judges in the eastern district of Louisiana and by the Judicial Conference for the Fifth Circuit Court of Appeals. On September 21, 1983, this designation was endorsed by the U.S. Judicial Conference. The bill filed today also has the strong support of the citizens in the Houma area.

I strongly urge my Senate colleagues to approve this most important measure.●

By Mr. HEINZ (for himself and Mr. SPECTER):

S. 1934. A bill to amend the Railroad Retirement Act of 1974 to make certain adjustments in benefits contingent on the financial condition of the railroad retirement system; to the Committee on Labor and Human Resources.

RAILROAD RETIREMENT LEGISLATION

Mr. HEINZ. Mr. President, today, I am introducing legislation, along with Senator SPECTER, that would improve upon the Railroad Retirement Solvency Act of 1983—Public Law 98-76—which the Senate passed on August 2, this year, after very little consideration. As I said at the time, the urgency of the railroad retirement system's financial situation warranted quick Senate action. We were in the 11th hour, and the railroad retirement benefits of nearly 1 million retirees would have suffered a drastic cut if we had not acted in time.

Let me reiterate my support for that legislation, as a whole, and let me reiterate my praise for the hard work of rail labor and management in devising an agreement that averted what otherwise would have been Draconian benefit cuts.

I also expressed at that time serious reservations about several provisions in that legislation, and in particular, the provision calling for the next 5 percent of the tier 1—social security—cost-of-living increases to be used to reduce the tier 2 railroad industry pension.

Because of this COLA provision, railroad retiree benefits are, in effect, frozen through 1984 and capped in 1985. Thus, the real benefit of railroad retirees, adjusted for inflation, will decline. Now, when we consider that railroad retirement benefits have also become taxable, for the first time, the real, after tax income of the beneficiaries will be substantially reduced. The COLA offset provision alone is projected to reduce benefits by $1 billion over the next 5 years—or an average of $1,000 per beneficiary. The taxation of tier 2 and so-called windfall benefits will reduce beneficiaries' checks by an additional $960 million over the next 5 years, and it comes on top of another $341 million to be paid by retirees through the new income tax on railroad tier 1 benefits. In all, retirees could suffer a reduction in benefits of some $2.3 billion over the next 5 years—an average of $2,300 per beneficiary.

These steep benefit reductions may be the necessary, inevitable price to pay for restoring solvency to the financially troubled railroad retirement system. But then again, the full benefit reductions may not be inevitable. Rail employment, after dipping to a low point of 388,000 in March 1983, has had a healthy rebound to 405,000 as of June 1983, which is well above the employment assumptions used by the Railroad Retirement Board under its so-called best guess estimate. Indeed, the low point for rail employment so far this year is above the average yearly employment level assumed under the best guess assumptions. The assumptions used also predict rail employment will decline again in 1984 and beyond.

But what happens if we have erred in our assumptions—for once—by using too pessimistic an estimate? That could mean that some part of the benefit reductions imposed on beneficiaries may not, in fact, be necessary, and that some portion of the tax increases on rail labor and management might also prove not to be necessary. Public Law 98-76 does, in fact, contemplate the latter possibility as far as taxes go. Section 502 calls for annual reports to Congress by the Railroad Retirement Board on the actuarial status of the fund, including whether there are sufficient reserves in the account and whether the rates of such taxes should be reduced. So presumably, if Congress legislated more tax increases than are necessary, there is a way for Congress to know about that and correct it.

But what about the 1 million railroad retirees? What happens to them if the economic recovery proves to be robust, and rail employment stabilizes or even increases in contrast to the declining forecasts of employment used in developing the bill? There is no provision in the law that protects beneficiaries from any potentially unnecessary benefit reductions.

I am concerned, in particular, with the provision in the bill that will save nearly $1 billion over 5 years by reducing retirees' tier 2 benefits, dollar for dollar, for any tier 1 social security equivalent cost-of-living increases, up to a cumulative 5 percent. On January 1, 1984, the social security cost-of-living increase of 3.5 percent will be deducted from the tier 2 benefit. But since the new law calls for a cumulative 5-percent adjustment, the remaining 1.5 percent will be taken from the social security cost-of-living increase paid on January 1, 1985.

Now, what happens if rail employment picks up and if the reserves exceed the current best estimate? Well, under the present law, the second phase of the COLA offset will take place anyway. There is no provision for a contingency.

The philosophical and the policy implications of this COLA provision also trouble me deeply. We keep telling railroad retirees that their monthly check is really two pensions combined, a social security pension and a private industry pension. This COLA offset, however, uses the social security benefit increase to reduce the industry's obligation for the private pension. In my judgment, it is not good policy to allow social security benefit increases to be used to reduce a private pension obligation.

I am also troubled by the erratic distributional effects of this provision.

As chairman of the Special Committee on Aging, I asked the GAO to give me some data on the distribution of this tier 2 cut. They advised me that 45 percent of beneficiaries would lose less than 10 percent of their tier 2 benefits; 37 percent will lose between 10 and 20 percent of their tier 2; an additional 11 percent will lose between 20 and 30 percent of their tier 2 benefits. And 7 percent would lose more than 30 percent of their tier 2 benefits.

I realize that no one's total monthly retirement check will go down because of this offset. But since we have divided this pension into two parts, there seems to me to be serious equity problems about using the social security benefit increase to cover up really wide ranging, disparate reductions in the industry pension.

My bill would change current law so that the second phase of the COLA offset, that which is scheduled for January 1, 1985, would not take place unless the reserves available for the payment of railroad retirement benefits are less than 30 percent of the 1985 benefit payments and administrative costs.

Under the so-called best guess estimates, reserves should be at 30 percent in December 1984. Under this bill, the COLA would not be reduced in 1985 if the rail industry and rail employment are better than predicted under the best guess estimates, and it is, therefore, not necessary to further reduce retiree benefits. But if the reserves are below 30 percent, then, in the interest of prudence, the COLA offset provision would take effect under this bill.

Let me also point out that the first phase of the COLA offset, that which is scheduled for January 1, 1984, regrettably, cannot be repealed at this juncture. But during consideration of H.R. 1646, both in the Senate Finance Committee and on the Senate floor, Senator DOLE and I agreed that there was a need for a study on the effects of the provision. One of the things we have specifically asked the Railroad Retirement Board to do, in this study, is to advise the Congress on how the COLA reductions could eventually be restored to beneficiaries if—and when—the financial condition of the railroad retirement system permits it.

Mr. President, this bill is therefore the first step in restoring some balance into the recently enacted Railroad Retirement Solvency Act, to avoid certain benefit reductions if it becomes clear that they are excessive and not needed to assure the continued payment of railroad retirement benefits. When taken in conjunction with the study we have asked the Railroad Retirement Board to undertake in its report to Congress next year, we will be in a better position to know the effects of the COLA offset provision and to correct any inequities that resulted from its application on January 1, 1984.

Mr. SPECTER. Mr. President—I am pleased to join my colleague, Senator HEINZ, in introducing legislation that would prevent railroad retirees from unnecessarily suffering excessive cuts in their benefits. The bill we are proposing today would eliminate the cost-of-living adjustment offset that is scheduled to take effect in January 1985, unless the financial condition of the Railroad Retirement Trust Fund necessitates it.

This summer we took the necessary steps to avert the impending bankruptcy of the Railroad Retirement System. More than 80,000 residents of my State of Pennsylvania rely on the continued solvency of this system. But we passed the Railroad Retirement Solvency Act of 1983 in the face of an emergency deadline threatening a possible curtailment of benefits. The drastic actions we took, including freezing tier 1 benefits in 1984 capping them in 1985, as well as taxing them for the first time, result in severe reductions in benefit levels. The average railroad retiree will experience a loss of $2,300 in his annuity over the next 5 years.

The so-called COLA offset reduces the tier 2, or industry component, of railroad retirement benefits dollar for dollar for any adjustment in tier 1 benefits up to 5 percent. On January 1, 1984, benefits are scheduled to increase 3.5 percent. Under current law, retirees will be forced to forfeit this portion of their annuity, in addition to 1.5 percent of their January 1, 1985, COLA, in order to offset the cost of tier 2 benefits.

The bill Senator HEINZ and I introduce today would eliminate the 1985 offset if reserves in the Railroad Retirement Trust Fund are greater than 30 percent of the amount estimated to pay annuities for that calendar year.

Cuts may have been necessary to inject a measure of financial stability and solvency to both the railroad retirement and employment insurance programs, however, nothing in the Solvency Act of 1983 shields retirees from unnecessary reductions in the event of a strong recovery, or perhaps, an increase in rail employment.

This legislation demonstrates to thousands of railroad retirees, as well as those workers who look forward to benefiting under the railroad retirement system, that Congress is sensitive to their many years of dedication to our Nation's rail system and to their needs during retirement. I urge the Senate to promptly consider this thoughtful proposal.

By Mr. HEINZ (for himself, Mr. DANFORTH, and Mr. CRANSTON):

S. 1935. A bill to establish an interagency task force on cigarette safety; to the Committee on Governmental Affairs.

INTERAGENCY TASK FORCE ON CIGARETTE SAFETY

● Mr. HEINZ. Mr. President, I am pleased to introduce today, along with Senators DANFORTH and CRANSTON, S. 1935, the Cigarette Safety Study Act which would establish a Federal interagency task force to study cigarette safety, specifically, the feasibility of developing a cigarette which has a reduced propensity to ignite upholstered furniture and mattresses.

Cigarettes are the leading cause of home fire deaths in the United States. It is an all too familiar story—a carelessly dropped cigarette smolders in a chair, couch, or mattress, and in a few hours, tragedy strikes. Cigarettes cause approximately 2,000 deaths each year in residential fires. That is over one-third of all home fire deaths, far more than any other single cause. An estimated 40 percent of those killed in cigarette fires were innocent—not the smoker of the cigarette which caused the fire. Cigarette fires also cause approximately 3,800 reportable injuries and over $300 million in property loss annually. This bill is particularly timely because next week has been designated as "National Fire Prevention Week" by President Reagan.

This problem has special significance for our Nation's 26 million senior citizens since older Americans are three times as likely as younger persons to die in home fires caused by cigarettes.

Most of these deaths are preventable. The Senate Special Committee on Aging's recent hearing on "Home Fire Deaths: A Preventable Tragedy" focused on how a Federal study could substantially reduce the risk of home fire death.

We heard about the nationwide campaign for a "fire-safe" cigarette, that is, a cigarette with a reduced propensity to cause smoldering fires in upholstered furniture and mattresses. According to substantial testimony, such a cigarette is feasible. The tobacco industry disputes this. Therefore, to resolve this disagreement, and, more importantly, to address this terrible problem of fire death and injury, we are introducing S. 1935 "The Cigarette Safety Study Act." This legislation would establish a Federal inter-agency

task force which would report to Congress on the technical and economic feasibility of producing "fire-safe" cigarettes, that is cigarettes with a reduced propensity to ignite upholstered furniture and mattresses. It would include participation by the Department of Health and Human Services, the Consumer Product Safety Commission, the Federal Trade Commission, the National Bureau of Standards of the Department of Commerce as well as that of the tobacco industry. Moreover, the Tobacco Institute at our hearing endorsed the concept of a Federal study bill that would focus on cigarette safety.

This report would give Congress and the executive branch the scientific, technical and economic information necessary to develop an intelligent and informed policy with respect to the tobacco industry's responsibility and the Government's role, if any, with respect to the reduction of cigarette-caused fires.

Congressional action on the fire-safe cigarette is supported by the American Medical Association, the American Burn Association, the American Association of Retired Persons, the American Association of Public Health Physicians, the National Fire Protection Association, the American Public Health Association, the International Association of Fire Chiefs, the National Volunteer Fire Council, the Citizens Committee for Fire Protection, and numerous other groups.

Senator CRANSTON and Representatives MOAKLEY and JACOBS have introduced legislation to require fire-safe cigarette standards.

Although S. 1935 differs in particulars from those introduced by my distinguished colleagues, I commend them for their important efforts to reduce fires caused by cigarettes. We all share the same goal, that is, to explore how the Federal Government can help to reduce the tragedy of thousands of lives lost each year in home fires caused by cigarettes. The time to act is now.

I ask unanimous consent that the text of our bill be printed at this point.

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

S. 1935

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Cigarette Safety Study Act".

FINDINGS

SEC. 2. The Congress finds and declares that—

(1) cigarettes and little cigars are the leading cause of deaths from home fires in the United States;

(2) it is in the national interest to reduce fire death and injuries to the public health which are caused by cigarettes and little cigars;

(3) approximately 2,000 deaths from fires and 3,800 disfiguring and crippling burn injuries are caused annually by cigarettes and little cigars, and such deaths and injuries result in the expenditure of thousands of dollars for hospitalization and other medical care paid in part under Medicare or Medicaid or by the Public Health Service, and involve significant losses in productivity;

(4) approximately $300,000,000 in annual property losses result from fires ignited by cigarettes and little cigars; and

(5) accordingly, the development of cigarettes and little cigars with a reduced propensity to ignite fires should be encouraged.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) the term "Task Force" means the Cigarette Safety Task Force established under section 4 of this Act;

(2) the term "Technical Advisory Group" means the Technical Advisory Group established under section 5(d) of this Act;

(3) the term "cigarette" means—

(A) any roll of tobacco wrapped in paper or in any substance not containing tobacco; and

(B) any roll of tobacco wrapped in any substance containing tobacco which, because of its appearance, the type of tobacco used in the filter, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette described in subparagraph (A); and

(4) the term "little cigar" means any roll of tobacco wrapped in leaf tobacco or any substance containing tobacco (other than any roll of tobacco which is a cigarette within the meaning of paragraph (3)) and as to which one thousand units weigh not more than three pounds.

ESTABLISHMENT

SEC. 4. (a) There is established a Cigarette Safety Task Force, which shall be composed of:

(1) the Secretary of Health and Human Services, or the designee of the Secretary;

(2) the Surgeon General of the United States, or the designee of the Surgeon General;

(3) the Director of the National Institutes of Health, or the designee of the Director;

(4) the Chairman of the Consumer Product Safety Commission, or the designee of the Chairman;

(5) the Chairman of the Federal Trade Commission, or the designee of the Chairman;

(6) the Director of the National Bureau of Standards of the Department of Commerce, or the designee of the Director; and

(7) one representative of the tobacco industry, appointed by the Secretary of Agriculture.

(b) A vacancy in the Task Force shall be filled in the same manner as the original appointment was made. A vacancy in the Task Force shall not affect is powers.

(c)(1) Except as provided in paragraph (2), members shall be appointed for the life of the Task Force.

(2) If any member of the Task Force who was appointed to the Task Force under paragraphs (1) through (6) of subsection (a) leaves the office specified under such paragraph, or if any member of the Task Force who was appointed under paragraph (7) of such subsection becomes an officer or employee of the United States, such individual may continue as a member of the Task Force for a period not in excess of thirty days beginning on the date such individual leaves that office or becomes such an officer or employee, as the case may be.

(d) The Secretary of Health and Human Services shall designate a Chairman from among the members of the Task Force.

(e) Four members of the Task Force shall constitute a quorum, but a lesser number may hold hearings.

(f) The Task Force shall hold its first meeting not later than thirty days after the date of enactment of this Act. Thereafter, the Task Force shall meet at the call of the Chairman or a majority of its members, but shall meet at least three times during the life of the Task Force.

DUTIES OF THE TASK FORCE

SEC. 5. (a) The Task Force shall conduct studies and make recommendations concerning the technical and economic feasibility of developing cigarettes and little cigars which have a reduced propensity to ignite upholstered furniture and mattresses.

(b) In carrying out subsection (a), the Task Force shall—

(1) develop a method to test the propensity of cigarettes and little cigars for igniting upholstered furniture and mattresses;

(2) identify the physical characteristics of cigarettes and little cigars which affect their propensity to ignite upholstered furniture and mattresses;

(3) make recommendations for criteria by which the propensity of cigarettes and little cigars to ignite upholstered furniture and mattresses may be rated;

(4) make recommendations for criteria for the manufacture of cigarettes and little cigars in a manner which will minimize the propensity of cigarettes and little cigars to ignite upholstered furniture and mattresses;

(5) identify the health consequences which will result from the implementation of the criteria recommended under paragraph (4); and

(6) analyze the costs and benefits, to the public and to the tobacco industry, of requiring the manufacture and distribution in the United States of cigarettes and little cigars which conform to the criteria recommended under paragraph (4).

(c) The Task Force shall use the resources of the Federal departments and agencies represented on the Task Force to carry out this Act, and such departments and agencies may make grants or enter into contracts to conduct research and studies to carry out this Act. The authority of Federal departments and agencies to enter into contracts under this subsection shall be to such extent or in such amounts as are provided in appropriations Acts.

(d)(1) To assist the Task Force in carrying out this Act, the Task Force shall appoint a Technical Advisory Group, which shall be composed of fifteen individuals who have knowledge and expertise concerning the health consequences of smoking, the problem of fires in upholstered furniture and mattresses caused by cigarettes and little cigars, and the development and manufacture of cigarettes and little cigars which have a reduced propensity to ignite upholstered furniture and mattresses.

(2) Four members of the Technical Advisory Group shall be appointed by the Task Force from individuals nominated by the Tobacco Institute. One member of the Technical Advisory Group shall be appointed by the Task Force from individuals nominated by the American Burn Association.

(3) All appointments to the Technical Advisory Group shall be approved by a majority vote of all members of the Task Force.

ADMINISTRATIVE PROVISIONS

SEC. 6. (a) For the purpose of carrying out this Act, the Task Force may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Task Force considers appropriate. The Task Force may administer oaths or affirmations to witnesses appearing before the Task Force.

(b) The Secretary of Health and Human Services shall provide the Task Force with such staff and administrative and support services as may be necessary to enable the Task Force to carry out its duties under this Act. Upon the request of the Chairman of the Task Force, the head of any Federal department or agency may detail any of the personnel of the department or agency to the Task Force to assist the Task Force in carrying out this Act.

(c) The Task Force may secure directly from any Federal department or agency such information as may be necessary to enable the Task Force to carry out this Act. Upon request of the Chairman of the Task Force, the head of such department or agency shall furnish such information to the Task Force.

REPORT

SEC. 7. (a) The Task Force may transmit to the President and to each House of the Congress such interim reports as the Task Force considers appropriate.

(b) The Task Force shall transmit a final report to the President and to each House of the Congress not later than two years after the date of enactment of this Act. The final report of the Task Force shall contain a detailed statement of the findings and conclusions of the Task Force and the recommendations of the Task Force for such legislation and administrative actions as the Task Force considers appropriate.

TRADE SECRETS

SEC. 8. (a) Except as provided in subsection (b), commercial, technical, or financial information which is submitted to the Task Force or the Technical Advisory Group and which the Task Force considers to be confidential, shall be considered trade secrets for purposes of section 552(b)(4) of title 5, United States Code, and section 1905 of title 18, United States Code. Except as provided in subsection (b), no member, officer, or employee of the Task Force or the Technical Advisory Group shall disclose any such information to any person who is not a member, officer, or employee of the Task Force or the Technical Advisory Group.

(b) Notwithstanding subsection (a), the Task Force may use any information submitted to the Task Force or the Technical Advisory Group in any report submitted to the Congress under section 7.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. For fiscal years beginning after September 30, 1983, there are authorized to be appropriated such sums as may be necessary to carry out this Act.

TERMINATION

SEC. 10. The Task Force shall terminate three months after the date on which the Task Force transmits the final report required under section 7(b) to the President and each House of Congress.●

● Mr. DANFORTH. Mr. President, Americans have given increased awareness in recent years to the problem of preventing fires at homes. Residential smoke detectors, once a rarity and a luxury item, now are commonplace. But nothing has been done about the leading cause of residential fires—smoking. Cigarette fires kill thousands of persons every year, many of them elderly. Indeed, one-third of all Americans who are killed by fire die in fires started by cigarettes. Often the victims are not the smokers themselves. But, other than admonition, little has been done to lessen the dangers of careless smoking.

The Cigarette Safety Study Act, introduced by the Senator from Pennsylvania (Mr. HEINZ), would take a first step toward avoidance of such tragedies. This legislation would create a 2-year interagency task force on cigarette safety, with the goal of developing criteria for a "fire-safe" cigarette—that is, a cigarette that will go out by itself or that will generate so little heat it would not ignite bedding or upholstery. Tests conducted by the National Bureau of Standards, among others, indicate that such a goal is attainable.

Most cigarettes continue to burn for 20 to 40 minutes if left unattended. A reduction in that burn time could reduce the risk of accidental fires significantly.

This bill would impose no new requirements on the tobacco industry; indeed, the Tobacco Institute has expressed support for such a study. Mr. President, the goals are worthy and the legislation modest, and I am hopeful that this bill can receive prompt action in the Committee on Governmental Affairs and the Senate as a whole.●

Mr. CRANSTON. Mr. President, I would like to commend my colleague from Pennsylvania, Senator HEINZ for his initiative in introducing a bill to address the serious loss of life and property caused by accidental fires ignited by cigarettes. I am pleased to be a principal cosponsor of this measure.

As present sponsor of cigarette safety legislation, S. 51, and author of similar bills in the 96th and 97th Congresses, I have long been interested n seeking solutions to the Nation's leading cause of residential fire deaths. A comprehensive study of the feasibility of producing safer cigarettes, as this bill proposes, would bring us measurably closer to this goal.

The U.S. Fire Administration statistics confirm, year after year, that the problem of cigarette fires will not diminish of its own accord: In 1981, the last year in which data are available, more than 2,000 people lost their lives, more than 3,800 were injured, and property damages totaled $305 million. To accomplish a substantial reduction in the number of residential deaths and injuries caused by cigarette-ignited fires, cigarette manufacturers should look at ways to develop a safer product—in addition to educational efforts alerting the public to the dangers of carelessly dropping ignited cigarettes.

There is every reason to believe a safer cigarette can be produced. The National Bureau of Standards and the U.S. Testing Co., an independent laboratory, have both concluded there are at least two commercial brands that are relatively safe: More, made by the R. J. Reynolds Tobacco Co., and Nat Sherman's, a specialty cigarette brand made in New York City. The manufacturing of these cigarettes suggests that the production of a safer cigarette is economically feasible and provides an excellent basis for expanding research and development.

Mr. President, it is also evident that we do not know everything about the relative interactions of factors contributing to the burn rate of a cigarette, as relatively little systematic research has been performed. Changes in the tobacco packing density, cigarette circumference, moisture content of the tobacco porosity and thickness of the cigarette paper, and various chemicals often times added to either or both the tobacco and the wrapping paper to promote continuous burning may all affect tar and nicotine levels. This study would explore not only the technical and economic feasibility of producing a cigarette with a lower propensity to ignite upholstered furniture and mattresses, but would also consider any health consequences of implementing fire-safe cigarette criteria.

With industry and Government pooling their efforts in this study, I am confident our shared goal of reducing accidental fires can be met.

By Mr. QUAYLE (for himself and Mr. KENNEDY):

S. 1936. A bill to amend the Trade Act of 1974; to the Committee on Finance.

TRADE ACT AMENDMENTS

● Mr. QUAYLE. Mr. President, today I am introducing a bill to amend the Trade Adjustment Assistance Act (TAA). I am pleased that this bill is cosponsored by Senator KENNEDY. The bill requires that TAA training be administered through the dislocated worker program under title III of the Job Training Partnership Act (JTPA). This is merely a matter of administrative efficiency.

My amendment will not affect the eligibility requirements for TAA or the determination process for eligibility. Although the training funds flow through the same administrative structure as the JTPA funds, they are strictly earmarked for eligible TAA trainees.

In some States, two separate entities administer the TAA and JTPA training programs for dislocated workers. As a matter of commonsense, they ought to be consolidated because there is no basis for distinguishing between the trainees, other than the cause of

job termination. These programs provide the same kind of training to unemployed workers with very similar needs. Therefore, we should not treat them differently by establishing separate programs.

In those instances where an organization is training both TAA and JTPA dislocated workers, my amendment could also mean more equitable services for TAA trainees. This is because of different program requirements. JTPA programs must meet performance standards, such as placement of a percentage of trainees in jobs or placement in jobs at specified wage rates. Since TAA training programs are not required to meet these standards, the JPTA dislocated worker could possibly receive preference in job placement or placement at higher wage rates.

Aside from the question of equal treatment, as a general rule, all Federal programs should meet performance standards. Not only will performance standards lead to greater efficiency and program quality, but so will other JTPA program requirements such as coordination with related training and supportive services and, selection of service providers on the basis of cost effectiveness and demonstrated performance.

Under title III of JTPA, Governors have complete discretion on the administrative structure of the dislocated worker program, whereas TAA training is administered by the Secretary of Labor through the Employment Service. Under my amendment, Governors could continue to use the Employment Service to contract for TAA training, but the training programs would have to meet JTPA standards for efficiency and quality.

In addition, my amendment assures that the TAA training funds would not be subject to the State matching requirement that applies to other title III funds.

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

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

S. 1936

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subchapter B of chapter 2 of the Trade Act of 1974 is amended by striking out sections 235 through 238 and inserting in lieu thereof the following:

"SEC. 235. TRAINING, OTHER EMPLOYMENT SERVICES, AND ALLOWANCES

"There are authorized to be made available to adversely affected workers covered by a certification under subchapter A, job training, counseling, testing, placement services, job search allowances, and relocation allowances, to be provided subject to the terms and conditions of discretionary funds under title III of the Job Training Partnership Act."

SEC. 2. Section 239 (a) of such Act is amended—

(1) by striking out clause (2) thereof;

(2) by inserting "and" at the end of clause (1);

(3) by redesignating clause (3) as clause (2); and

(4) by striking out "and services" in clause (2) as so designated.

SEC. 3. The amendments made by sections 1 and 2 shall be effective 6 months after the date of enactment of this Act.●

By Mr. LEVIN:

S. 1937. A bill to amend the Internal Revenue Code of 1954 to impose an additional excise tax on the sale of certain imported automobiles in the United States; to the Committee on Finance.

ADDITIONAL EXCISE TAX ON IMPORTED AUTOMOBILES

● Mr. LEVIN. Mr. President, the bill I am introducing today is designed to insure that U.S. auto manufacturers have the ability to continue modernizing and retooling for the production of new models to compete against foreign imports by restoring a measure of competitive equity in the U.S. marketplace.

Domestic manufacturers face a number of government imposed restrictions and barriers that increase the cost of autos sold in foreign markets, while autos imported to the United States have traditionally not faced similar barriers. This bill is designed to correct that inequity by imposing on imported autos a tax equal to the cost increases borne by domestic autos when entering foreign markets.

The economic recession, in combination with auto imports, have had a devastating effect on the U.S. auto industry. In 1982, total new car sales in the United States fell for the fifth consecutive year, with sales of domestic autos at their lowest levels in 21 years. Over the same 5-year period, the market share of imported autos, mostly from Japan, continued to increase.

These factors in turn have contributed to the deterioration in the financial condition of the industry, despite the all-out efforts of management, labor, suppliers and dealers to reduce costs and improve productivity while containing price increases. In addition, approximately 210,000 auto workers are on indefinite layoff, which is compounded by unemployment in the supplier industries.

In spite of these circumstances, the U.S. auto industry has invested billions of dollars in construction of new plant and equipment and conversion of existing facilities to improve productivity and build more high quality, small fuel-efficient front-wheel-drive autos. During the 1978 to 1982 period, the auto manufacturers invested approximately $51 billion—an important effort for the longer term prospects of the industry.

While sales are returning and the industry is showing improved profitability as the economy begins to rebound, it will require several years of improved earnings to recoop this investment. And a portion of this investment could be recovered by exporting vehicles for sale overseas, now that they have expanded production of small, fuel-efficient autos. However, they are not able to do so without incurring substantial costs caused by restrictive trade barriers.

Probably some of the most restrictive practices are imposed by the Japanese Government. This particularly disturbing not only because its policies are highly restrictive but also because Japanese auto makers have reaped enormous profits from sales in the United States. The effect of these barriers on U.S. manufactured autos is to increase prices beyond the reach of most Japanese consumers. It is estimated that these restrictions increase the price of domestically produced autos by almost twice the price at which they sell in the United States. This is one reason why U.S. manufacturers sold a little more than 3,500 autos in Japan during 1982.

While not all of the differential in prices can be attributed to restrictive Japanese policies, clearly a portion can. One example is the Japanese "commodity tax." The tax is imposed on all new cars at a 17.5-percent rate on autos with small engines, and 22.5 percent on autos with engines larger than 2,000 cc. It is no coincidence that the typical U.S. manufactured auto is taxed at the higher rate.

In addition, the tax is imposed on the factory wholesale price of Japanese autos, but on the "landed price"—which includes freight—of foreign autos entering Japan, while the United States bases its duty on the auto's value exclusive of freight.

Another example is the inspection and certification requirements. U.S. manufacturers must modify autos to meet Japanese safety and emission standards. While the certification requirement for imported autos has recently been eased, the Japanese Government still does not recognize U.S. manufacturers' self-certification of automobiles to Japanese standards. As a result, every vehicle, except models receiving large volume "Type Designation" approval and those sold in quantities of 300 or less, are individually approved. The United States permits all domestic and foreign manufacturers to self-certify compliance with U.S. safety and emission standards, regardless of the number of vehicles sold here.

Moreover, the Japanese Government has not adopted administrative procedures to implement a May 1980 commitment to accept U.S. notaries public affirmation of the "dates of manufac-

ture" of U.S. autos. These dates are necessary in Japan to determine which year's regulations tests must be performed on U.S. imported autos.

The legislation I am introducing today would add a tax on Japanese autos entering the U.S. market equivalent to the costs which are imposed on U.S. autos entering their market and which are attributable to the procedures which unreasonably burden, restrict or discriminate against the entry of U.S. autos. It would apply only to those countries whose imports exceed 10 percent of the U.S. new car market, which at the present time would include only Japan.

Mr. President, I believe this legislation would, if enacted, achieve two important goals: allow U.S. auto manufacturers to continue modernizing and retooling for the production of competitive vehicles for domestic and foreign markets, and opening the Japanese market to U.S. manufacturers. These are goals we can all support.●

By Mr. HATCH:

S. 1938. A bill to amend the Federal Food, Drug, and Cosmetic Act, the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act, and for other purposes; to the Committee and Labor and Human Resources.

FOOD SAFETY MODERNIZATION ACT OF 1983

Mr. HATCH. Mr. President, the United States has the safest, most wholesome food supply in the world. As chairman of the Senate Labor and Human Resources Committee, I am committed to assuring the American people that this situation continues, and that nothing is done to jeopardize it. At the same time, since the last major revision of the food safety laws in 1958, technology has changed greatly, while the law has stood still. Laws that were designed for the science in 1958 are no longer entirely appropriate for the science in 1983. I am today introducing legislation to modernize the food safety laws of the United States. This bill, the Food Safety Modernization Act of 1983, is being introduced simultaneously in the House of Representatives by my good friend and respected colleague Mr. EDWARD MADIGAN.

During the past few years, impressive clinical, scientific, and medical support has been mounting for food safety reform. The National Academy of Science recommended that Congress overhaul the prevailing food regulatory system, calling it complicated, inflexible, and inconsistent in implementation. The U.S. General Accounting Office, based on its interviews with former FDA Commissioners and general counsels, also favors making necessary revisions.

Two years ago, I introduced S. 1442, a bill to overhaul the food safety laws. While some argued that provisions of that bill were too sweeping or went too far in one direction or another, I intended that bill to serve as a vehicle to stimulate discussions on these important issues, and it did. Through thorough and comprehensive hearings, and discussions with all interested parties, I believe that we have learned a great deal since the introduction of that bill. I believe that the bill I am introducing today represents a significant advance. The bill is focused on fine tuning a few areas of the law where there is a demonstrable need for change, and it is based on a hearing record in which a consensus supported that change. The 3 days of hearings I chaired on June 8, 9, and 10, 1983, in the Senate Labor and Human Resources Committee centered on two fundamental questions about our food safety laws:

First, how have recent scientific and technological developments affected food safety regulation?

Second, should existing law be revised in order to accommodate advances in science and technology?

I was struck throughout the hearings by the nearly unanimous testimony supporting the need for the Congress to modernize our 25-year-old food safety laws. Witness after witness testified that current law does not permit the FDA and USDA to consider all pertinent scientific information in their decisionmaking. Witnesses further pointed out that while we can scientifically distinguish between significant and trivial risks, we have no latitude to make such distinction in our regulatory policy under current law. In particular, many witnesses noted that it is unrealistic to expect us to achieve a zero risk food supply.

Some of the most enlightening and persuasive testimony came from two respected former Commissioners of the Food and Drug Administration who served under the previous administration: Dr. Donald Kennedy and Dr. Gere Goyan. Both former Commissioners testified that although the current food safety laws are basically sound, these laws need some fine tuning so that they conform to contemporary scientific reality. Further, they seemed to agree on three points:

First, the food safety laws have generally worked well to protect the American public;

Second, scientific knowledge has advanced greatly since the food safety laws were last revised in 1958, and these advances have made parts of the law outmoded;

Third, FDA is hampered in its ability to utilize its best scientific judgment in evaluating and in determining policy for various substances.

Mr. President, I agree with the views expressed by the two distinguished former Commissioners, which, I might add, were echoed by many of the other witnesses at the June hearings.

Mr. President, I am pleased that Mr. MADIGAN is introducing this bill in the House of Representatives with a broad bipartisan consponsorship. It indicates that "reasonable men can reason" when it is the right thing to do to bring about credible regulation of our food supply. The bill is not a wish list, but rather a hard nucleus of realistic and necessary changes. The bill would achieve two goals: It would insure that the criteria and standards for food safety decisionmaking are rigorous and it would bring the law into conformance with current scientific and technological capabilities. It does this while retaining the concepts and approaches of current law which have served us well.

Mr. President, over the last several years, I discovered how difficult it is to write a law regulating highly complex scientific concepts. This bill represents some of my colleagues and my own best effort to do so. It is based on the views expressed by most, though admittedly not all, of the witnesses at the June hearings that modest but meaningful changes in key areas are needed.

I urge my colleagues on both sides of the aisle to discuss and support this important effort to update our food safety laws. If anyone—my colleagues, or members of industry, consumer groups, or the scientific or academic communities—has suggestions, I would be happy to listen.

Mr. President, I have included with this bill a detailed section-by-section analysis. At this point, I would like to describe briefly the most significant features of the legislation.

First, the bill would define, for the first time, the important concept of "safety" as it is applied to food additives, color additives, substances which are generally recognized as safe, pesticide residues, and residues of new animal drugs, under the Federal Food, Drug, and Cosmetic Act. The bill would define safe as a "reasonable certainty that the risks of a substance under its intended conditions of use are negligble."

Second, the bill gives authority to FDA to permit, under specified conditions, the gradual elmination or phaseout of substances from the food supply if FDA determines that there will be no unreasonable risk to the public health from continued use of a substance while it is phased out, and there is no practicable substitute.

Third, the bill retains the Delaney clauses special treatment for cancer-causing substances, except in those circumstances when these substances are demonstrated to FDA's satisfaction, based on a specified set of criteria, to present no more than a negligible risk.

Fourth, the bill provides that FDA can take into consideration the health-related benefits of a food additive in

determining whether to allow continued use of substance that has along history of use and no practical substitute. To utilize this provision, FDA would have to conclude that "the risks * * * are acceptable on account of the benefits to human health."

Fifth, the bill directs FDA to establish a mechanism for receiving expert external scientific advice on significant food safety issues when the Commissioner of FDA determines this will help resolve substantial scientific issues.

Sixth, the bill provides for the clarification of the criteria and procedures for regulating so-called "indirect additives," such as packaging materials.

Seventh, the bill simplifies the procedures for setting tolerances for food contaminants.

Finally, the bill conforms the Federal Meat, Poultry, and Egg Acts, enforced by the USDA, to the changes in the Federal Food, Drug, and Cosmetic Act. Notably, the conforming changes would provide for independent scientific peer review and authorize a phaseout under these agricultural laws.

Mr. President, this bill is a balanced approach to this difficult area of public health regulations. It carefully preserves the authority of FDA and USDA to carry out their essential responsibilities. It continues to require that the food industry bear the burden of proof in establishing the safety of food constituents. It retains the historic focus of our food safety laws on protecting the public health. And it brings our food safety laws into conformity with contemporary scientific capability. Mr. President, it is time for the Congress to modernize our food safety laws. I urge careful and prompt consideration of the Food Safety Modernization Act of 1983 as the way to achieve these goals.

Mr. President, I ask unanimous consent that the text of the bill as well as the section-by-section analysis be printed in the RECORD immediately following my remarks.

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

S. 1938

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food Safety Modernization Act of 1983".

TITLE I—AMENDMENTS TO THE FEDERAL FOOD, DRUG, AND COSMETIC ACT

DEFINITION OF SAFE

SEC. 101. Section 201(u) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(u)) is amended to read as follows:

"(u) The term 'safe', as used in subsection (s) of this section and in sections 408, 409, 512, and 706, means a reasonable certainty that the risks of a substance under the intended conditions of use are negligible.".

PHASEOUT AUTHORITY

SEC. 102. (a) Section 306 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 336) is amended by inserting "(a)" before "Nothing" and by adding at the end thereof the following new subsection:

"(b)(1) In any case in which the Secretary determines with respect to a use of a substance that a regulation may not remain in force under section 409(c), 512(c), or 706(b) or that such use of the substance may render food injurious to health under section 402(a)(1), or determines that a substance which has been generally recognized as safe is no longer so recognized, the Secretary may by regulation permit the continued use of such substance for a period of up to five years under such conditions as may be imposed by the Secretary pursuant to this subsection, if the Secretary determines that no unreasonable risk to the public health will result from such continued use.

"(2) During such period, the Secretary may impose such conditions on use of such substance as may be necessary and sufficient for protection of the public health, including—

"(A) a phased reduction of the foods or classes of foods in or on which such substance may continue to be used;

"(B) a phased reduction of the quantity of such substance which may be used or permitted to remain in or on such food; and

"(C) labeling or packaging requirements for foods containing or exposed to such substance.

"(3) In determining whether to permit such continued use, and the duration and conditions of any such continued use, the Secretary shall take into account—

"(A) the nature and extent of the risks associated with such use of the substance, or limitation or prohibition of use, as the case may be; and

"(B) effects of such use of the substance, including effects on the nutritional value, cost and availability of food, and use for dietary management and other health related purposes.

"(4) Continued use of a substance shall be permitted under this subsection only so long as a practicable substitute is not available for such substance for such use, except that the Secretary may by regulation allow the continued use of such substance during a period otherwise permitted by this section in which a substitute is available if the Secretary determines that the public health will be better served by the simultaneous use of such substance and such substitutes.

"(5) Upon the expiration of a period of continued use permitted under this subsection, the Secretary may by regulation permit the use of such substance for one additional period of up to five years, and under such conditions as may be imposed under this subsection, based upon a consideration of the factors listed in subparagraphs (A) and (B) of paragraph (3) of this subsection and a determination that diligent efforts to develop a substitute for such substance are being made.

"(6) While a regulation issued under this subsection with respect to a substance is in effect, a food shall not, by reason of bearing or containing such substance in accordance with such regulation, be considered adulterated within the meaning or paragraph (1), (2), or (6) of section 402(a) or section 402(c).".

(b) The section heading for such section is amended by adding at the end thereof a semicolon and "PHASEOUT AUTHORITY".

DELANEY CLAUSE

SEC. 103. (a) Section 409(c)(3)(A) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 348(c)(3)(A)) is amended by striking out all after "*Provided,* That" through "except that this proviso shall not apply" and inserting in lieu thereof the following: "no additive shall be deemed to be safe if the additive as a whole is found to induce cancer when ingested by man or animal, or if the additive as a whole is found, after tests which are appropriate for the evaluation of the safety of food additives, to induce cancer in man or animal, except that this proviso shall not apply with respect to a use of a substance if the Secretary, on the basis of scientifically adequate experimental evidence with respect to the substance's mechanism of action or the manner in which the substance is metabolized or other experimental evidence, including the use of risk assessment procedures when appropriate, determines that the risk of cancer to humans from exposure to the additive under the intended conditions of such use is negligible, or".

(b) Section 512(d)(1)(H) of such Act (21 U.S.C. 360b(d)(1)(H)) is amended by striking out ", except that" and inserting in lieu thereof the following: ": *Provided,* That the foregoing provisions of this subparagraph shall not apply with respect to a use of such drug, if the Secretary, on the basis of scientifically adequate experimental evidence with respect to such drug's mechanism of action or the manner in which such drug is metabolized or other experimental evidence, including the use of risk assessment procedures when appropriate, determines that the risk of cancer to humans from exposure to such drug under the intended conditions of such use is negligible: *Provided further,* That".

(c) Section 706(b)(5)(B) of such Act (21 U.S.C. 376(b)(5)(B)) is amended by striking out all after "A color additive" through ": *Provided,*" and inserting in lieu thereof the following: "(i) shall be deemed unsafe, and shall not be listed, for any use which will or may result in ingestion of all or part of such additive, if the additive as a whole is found by the Secretary to induce cancer when ingested by man or animal, or if the additive as a whole is found by the Secretary, after tests which are appropriate for the evaluation of the safety of additives for use in food, to induce cancer in man or animal, and (ii) shall be deemed unsafe, and shall not be listed, for any use which will not result in ingestion of any part of such additive, if, after tests which are appropriate for the evaluation of the safety of additives for such use, or after other relevant exposure of man or animal to such additive, the additive as a whole is found by the Secretary to induce cancer in man or animal: *Provided,* That the foregoing provisions of this subparagraph shall not apply with respect to a use of a color additive, if the Secretary, on the basis of scientifically adequate experimental evidence with respect to the additive's mechanism of action or the manner in which the additive is metabolized or other experimental evidence, including the use of risk assessment procedures when appropriate, determines that the risk of cancer to humans from exposure to the additive under the intended conditions of such use is negligible: *Provided further,*".

CONSIDERATION OF HEALTH BENEFITS

SEC. 104. Section 409(c) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C.

348(c)) is amended by adding at the end thereof the following new paragraph:

"(6) Notwithstanding any other provision of this Act, the Secretary shall issue a regulation with respect to a use of a food additive prescribing the conditions under which such additive may be used, if a fair evaluation of the evidence before the Secretary demonstrates—

"(A) that there is a substantial history of such use of the food additive and there is no practicable substitute for such food additive for such use, and

"(B) that the risks to human health presented by such use of the food additive are acceptable on account of the benefits to human health from such use of the food additive, including effects on the nutritional value and availability of food and uses for dietary management and other health-related purposes.".

SCIENTIFIC PEER REVIEW

SEC. 105. Title IV of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341 et seq.) is amended by adding at the end thereof the following new section:

"SCIENTIFIC PEER REVIEW

"SEC. 413. Within 180 days after the date of enactment of the Food Safety Modernization Act of 1983, the Secretary shall by regulation establish procedures for receiving advice from a committee of scientifically qualified individuals, supported by a scientifically qualified staff of individuals, whose members and scientically qualified staff are not in the full-time employ of the United States Government, in cases in which the Secretary determines with respect to the safety of a substance in food that there is a substantial scientific issue the resolution of which may be materially facilitated by independent scientific peer review.".

INDIRECT ADDITIVES

SEC. 106. Title IV of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341 et seq.) (as amended by section 105 of this Act) is further amended by adding the following new section:

"INDIRECT ADDITIVES

"SEC. 414. Within two years after the date of enactment of the Food Safety Modernization Act of 1983, the Secretary shall by regulation establish standards for determining whether an intended use of a substance will be deemed to result in its becoming a food additive under section 201(s), taking into account relevant factors including levels of human exposure to the substance (based upon a meaningful projection from reliable data) under its intended conditions of use of the substance and the toxicological characteristics of the substance.".

SECTION 406 PROCEDURES

SEC. 107. Section 701(e) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 371(e)) is amended by striking out "406,".

TITLE II—AMENDMENTS TO THE POULTRY PRODUCTS INSPECTION ACT, THE FEDERAL MEAT INSPECTION ACT, AND THE EGG PRODUCTS INSPECTION ACT

REGULATION OF SUBSTANCES

SEC. 201. (a) Section 4(g)(2)(A) of the Poultry Products Inspection Act (21 U.S.C. 453(g)(2)(A)), section 1(m)(2)(A) of the Federal Meat Inspection Act (21 U.S.C. 601(m)(2)(A)), and section 4(a)(2)(A) of the Egg Products Inspection Act (21 U.S.C 1033(g)(2)(A)) are each amended by striking out "which may, in the judgment of the Secretary, make such article unfit for human food" and inserting in lieu thereof: "which is unsafe within the meaning of section 406 of the Federal Food, Drug, and Cosmetic Act: *Provided*, That if no regulation under such section is in effect with respect to such substance, the Secretary may promulgate a regulation with respect to such substance in accordance with the provisions of section 406 of the Federal Food, Drug, and Cosmetic Act".

(b) Section 4(g)(2)(D) of the Poultry Products Inspection Act (21 U.S.C 453(g)(2)(D)), section 1(m)(2)(D) of the Federal Meat Inspection Act (21 U.S.C. 601(m)(2)(D)), and section 4(a)(2)(D) of the Egg Products Inspection Act (21 U.S.C. 1033(a)(2)(D)), are each amended by inserting after "*Provided*, That" the following: "while a regulation or approval with respect to a use of a substance is in effect under sections 406, 408, 409, or 706 of the Federal Food, Drug, and Cosmetic Act, a product shall not, by reason of bearing or containing such substance in accordance with such regulation or approval, be considered to be adulterated under subparagraph (1) of this paragraph: *Provided further*, That".

PHASEOUT AUTHORITY—SCIENTIFIC PEER REVIEW: POULTRY PRODUCTS INSPECTION ACT

SEC. 202. Section 14 of the Poultry Products Inspection Act (21 U.S.C. 463) is amended by adding at the end thereof the following new subsections:

"(d) If the Secretary determines that a use of a substance in food or food packaging violates a general or specific safety provision of this Act, the Secretary may issue a regulation with respect to such use of such substance in accordance with the provisions of section 306(b) of the Federal Food, Drug, and Cosmetic Act.

"(e) Within 180 days after the date of enactment of the Food Safety Modernization Act of 1983, the Secretary shall by regulation establish procedures for receiving advice from a committee of scientifically qualified individuals, supported by a scientifically qualified staff of individuals, whose members and scientifically qualified staff are not in the full-time employ of the United States Government, in cases in which the Secretary determines with respect to the safety of a substance in food that there is a substantial scientific issue, the resolution of which may be materially facilitated by independent scientific peer review.".

PHASEOUT AUTHORITY—SCIENTIFIC PEER REVIEW: FEDERAL MEAT INSPECTION ACT

SEC. 203. Title I of the Federal Meat Inspection Act (21 U.S.C. 601 et seq.) is amended by adding at the end thereof the following new sections:

SEC. 25. If the Secretary determines that a use of a substance in food or food packaging violates a general or specific safety provision of this Act, the Secretary may issue a regulation with respect to such use of such substance in accordance with the provisions of section 306(b) of the Federal Food, Drug, and Cosmetic Act.

SEC. 26. Within 180 days after the date of enactment of the Food Safety Modernization Act of 1983, the Secretary shall by regulation establish procedures for receiving advice from a committee of scientifically qualified individuals, supported by a scientifically qualified staff of individuals, whose members and scientifically qualified staff are not in the full-time employ of the United States Government, in cases in which the Secretary determines with respect to the safety of a substance in food that there is a substantial scientific issue the resolution of which may be materially facilitated by independent scientific peer review.".

PHASEOUT AUTHORITY—SCIENTIFIC PEER REVIEW: EGG PRODUCTS INSPECTION ACT

SEC. 204. Section 14 of the Egg Products Inspection Act (21 U.S.C. 1043) is amended by inserting "(a)" before "The" and by adding the following new subsections:

"(b) If the Secretary determines that a use of a substance in food or food packaging violates a general or specific safety provision of this Act, the Secretary may issue a regulation with respect to such use of such substance in accordance with the provisions of section 306(b) of the Federal Food, Drug, and Cosmetic Act.

"(c) Within 180 days after the date of enactment of the Food Safety Modernization Act of 1983, the Secretary shall by regulation establish procedures for receiving advice from a committee of scientifically qualified individuals, supported by a scientifically qualified staff of individuals, whose members and scientifically qualified staff are not in the full-time employ of the United States Government, in cases in which the Secretary determines with respect to the safety of a substance in food that there is a substantial scientific issue the resolution of which may be materially facilitated by independent scientific peer review.".

TITLE III—EFFECTIVE DATE

EFFECTIVE DATE

SEC. 301. The provisions of this Act shall become effective upon enactment.

SECTION-BY-SECTION ANALYSIS OF THE "FOOD SAFETY MODERNIZATION ACT OF 1983"

I. INTRODUCTION

The "Food Safety Modernization Act of 1983" (the "FSMA") contains several significant amendments to the food safety provisions of the Federal Food, Drug and Cosmetic Act (the "FDC Act") and conforming changes to the Federal Meat Inspection Act (the "FMI Act"), Poultry Products Inspection Act (the "PPI Act") and Egg Products Inspection Act (the "EPI Act"). The FSMA is a successor to, and is evolved from, legislation introduced in the Congress in recent years, notably S. 1442 and H.R. 5491, each of which was introduced during the 97th Congress. The provisions of the FSMA are derived not only from these prior bills, but from the three days of comprehensive hearings on food safety law and policy held before the Senate Labor and Human Resources Committee on June 8-10, 1983.

At those hearings, testimony was received from witnesses representing diverse interests and perspectives, including those of the Food and Drug Administration ("FDA") and the U.S. Department of Agriculture ("USDA"), prestigious scientists, and industry and consumer groups. It was the clear consensus of those witnesses that the current law is basically sound and has worked well to ensure that the American food supply is safe. Many of those witnesses also testified, however, that current food safety law does not conform to current scientific and technological knowledge and capabilities, does not permit the FDA and USDA to consider all pertinent scientific information in making food safety regulatory decisions and does not give FDA and USDA sufficient flexibility to develop appropriate regulatory responses to all food safety issues which arise. The FSMA addresses these problems

while also retaining the basic structure and requirements of the current laws, laws which have ensured that the American food supply is the safest in the world.

The FSMA consists of three titles. Title I contains amendments to several specific provisions of the FDC Act relating to food additives, color additives, new animal drugs and contaminants of food, as well as provisions which would affect food safety decisions generally. Title II contains conforming amendments to the FMI Act, PPI Act and EPI Act, each of which is enforced by the USDA, and several changes to those laws intended to further ensure consistency between the policies and requirements imposed by FDA and USDA. Title III specifies the effective date of the FSMA. Each of the changes to current law which would be made by the FSMA are described below.

II. DEFINITION OF "SAFE"

One of the central concepts of the FDC Act—a concept which is not altered by the FSMA—is the requirement that substances used to produce, process, package, hold, or otherwise affect food (*i.e.*, substances defined under the law as food additives, color additives, pesticide residues, and residues of new animal drugs) be demonstrated to be "safe" before use. A manufacturer or food processor who wants to use a substance in food is now required to provide to FDA all of the scientific and technical data needed to prove that the substance is safe. This requirement is not altered by the FSMA.

These requirements have their origins in the Food Additive Amendment of 1958 (the food additive provisions of the FDC Act have not been revised since then) and have been extended to color additives, pesticide residues and residues of new animal drugs. Although the Food Additives Amendment of 1958 required, for the first time, that "food additives," as defined in section 201(s) of the FDC Act, 21 U.S.C. § 321(s), be shown to be "safe," the Amendment did not define the term. The legislative history of the Amendment, however, reflects the judgment of the Congress in 1958 that "safe" required the proponent of use of an additive to demonstrate, by competent scientific evidence, to a "reasonable certainty," that "no harm" would occur from use of the additive. This "definition" has been incorporated in FDA regulations and has guided food safety decisions by FDA for twenty-five years.

It is evident from the legislative history of the 1958 Amendment (and subsequent amendments related to other types of food constituents) that a policy of "zero risk" was not intended by the Congress; indeed, such a policy would be difficult, if not impossible, to implement. In recent years, science has provided ever more exquisite analytical techniques and increasingly sophisticated techniques to identify, assess, and quantify potential risks. FDA has attempted to adapt its regulatory policies to these changes in scientific capability. Current scientific capability enables us to identify potential risks throughout the food supply (*e.g.*, we can detect substances in food at parts per trillion). Scientific capability also enables us to determine the upper boundary of these potential risks and thus to identify those which may pose public health concerns. The absence of a definition of "safe" has made it increasingly difficult for FDA to apply consistently appropriate regulatory policies which distinguish between trivial risks and those which warrant concern. The FSMA would add a definition of "safe" to the FDC Act, and, in so doing, insure that the public health is protected from those risks in food which are not demonstrated to be trivial.

Under section 101 of the FSMA, section 201(u) of the FDC Act would be amended to define the term "safe"—as it applies to food additives, color additives, residues of new animal drugs, and pesticide residues—as "a reasonable certainty that the risks of a substance under the intended conditions of use are negligible." This definition would accomplish several objectives.

First, it would continue the requirement that the manufacturer or user of a food constituent, such as a food additive, demonstrate safety to a "reasonable certainty." This feature of the new definition will ensure that the scientific evidence needed to demonstrate safety is comprehensive and reliable and resolves the issues pertinent to the safety decision. The "reasonable certainty" language is consistent with the approach of current law, but by making the phrase a part of the FDC Act (as opposed to its presence in the legislative history) its continued viability as part of the concept of safety will be preserved.

Second, the benchmark for distinguishing substances shown to be "safe" and those that have not, would be clarified. Under the definition, a substance determined to present no more than "negligible" risks would be safe. The inclusion of a standard of "negligible" risk would ensure that the public health is fully protected; trivial risks, that is, those that do not endanger the public health, would not be a basis for prohibiting the use of substances in food. With the development of techniques for quantitative risk assessment and the greatly enhanced information on, and understanding of, the toxicology of food constituents, distinctions can reasonably and appropriately be made between the risks, if any, presented by substances in food. The definition would help FDA to better adapt its regulatory policies to distinguish between those substances which may present public health concerns or otherwise warrant attention and those which do not.

The definition would thus reaffirm the requirement for persuasive proof of the safety of food constitutents, distinguish between negligible risks and those of public health concern, and help to provide for food safety regulatory decisions that embody consideration of, and reliance on, current scientific and technological information and capabilities.

III. PHASEOUT AUTHORITY

The FDC Act does not currently authorize the FDA to provide for the gradual elimination of a substance from food when such substance has been determined not to satisfy the substantive criteria of the FDC Act for continued use. The lack of this authority and the potentially undesirable consequences because of its absence, were illustrated several years ago when a study appeared to implicate nitrites as animal carcinogens. Nitrites are widely used to preserve meat and poultry products. Precipitous action to eliminate them, if the evidence had demonstrated a risk which required such action (ultimately the study in question was determined not to implicate nitrites directly in cancer causation), would have created unacceptable risks (there being no practicable substitutes for nitrites to protect certain foods from the growth and development of botulism) and adversely affected the costs related to, and the availability of, a major component of the food supply.

When it became apparent that a gradual elimination or phaseout of nitrites (or any other substance in use) was not permitted under current law, the Administration proposed legislation to authorize the phaseout. That specific phaseout legislation became unnecessary, but the episode did demonstrate the need generally to provide for the orderly removal of substances from food, under certain circumstances, when a decision is made to ban further use. The phaseout provision in the FSMA deals only with the implementation of a decision to eliminate gradually a substance from food; the criteria under the FDC Act for determining whether a substance may remain in further use indefinitely is not affected by the provision.

Under section 102 of the FSMA, section 306 of the FDC Act, would be amended by redesignating the current provisions as paragraph (a) and by adding a new paragraph (b). The amendment to section 306 would authorize FDA, by regulation, to permit the continued use of a substance (a food additive or color additive, a substance with a prior sanction or one generally recognized as safe, and a new animal drug) which it had determined no longer met the criteria for indefinite continued use, for a period up to five years. A phaseout would be permitted under this section only if the FDA decided that "no unreasonable risk to the public health" would result from continued use of the substance during the phaseout period. A phaseout would be permitted only as long as a practicable substitute for the substance in question was not available.

The section would authorize the FDA, as appropriate, to reduce the amount of a substance allowed in food, restrict the foods in which substance may be used, or to provide for labeling or packaging requirements during the phaseout period. In addition, because five years may not, in some instances, be adequate to develop and obtain approval of a practicable substitute (or substitutes) for the substance in question, the phaseout could be extended for up to an additional five years. An extension would only by permitted, however, if the FDA decided that diligent efforts were being made to develop substitutes and if a continuation of the phaseout period were consistent with requirements of the section.

In deciding on the length and conditions of a phaseout, the section directs the FDA to consider, for each use of a substance, the risks associated with using the substance and the risks associated with limiting or prohibiting its use. Also, the FDA would be required to consider the effects of the use of the substance on such factors as the nutritional value of food, the cost and availability of food, and the use of the substance for dietary management and other health-related purposes. In short, decisions on the length and conditions of a phaseout would be based on an evaluation of numerous factors and would reflect the judgment of the Agency as to how best to implement a decision to ban a substance. As is the case under the FDC Act in general, the Agency's judgment about the risks of continued use of a substance would be an important element of any phaseout decision.

Finally, the FDA would be permitted to provide for the continued use of a substance subject to a phaseout regulation even after a practicable substitute is available only if it is determined by FDA that the public health is enhanced by the simultaneous use of more than one substance for a particular use or uses (*e.g.*, FDA might conclude that

the use of lower levels of two or more substances better protects the public health than reliance on a single substance).

IV. DELANEY CLAUSE

An important feature of the Food Additives Amendment of 1958 is the inclusion of a special provision for additives shown to induce cancer in laboratory animals or in man. This provision—the Delaney Clause—was initially applied to food additives and subsequently extended to color additives and residues of new animal drugs. (The FDA Act thus contains three Delaney Clauses).

Unlike the concept of general safety embodied in the 1958 Amendments—that is, the "zero risk" is not the standard—the Delaney Clauses do adopt a policy of zero risk with respect to substances to which they apply. The "zero risk" approach of the Delaney Clause was based on the state of knowledge about cancer causation, risk assessment, toxicology, and analytical chemistry in the late 1950's. It was generally believed then that few substances would be shown to induce cancer in laboratory animals, that essentially all substances shown to induce cancer in laboratory animals presented significant risks of cancer to humans, and that all animal carcinogens behaved in the same way. Also, in 1958, the tools to distinguish cancer-causing substances on the basis of their risks under the intended conditions of human use did not exist. Finally, analytical techniques could only detect substances in the parts per million range, which meant that low levels of animal carcinogens in food went undetected.

In the twenty-five years since the Delaney Clause was first enacted, dramatic changes have occurred with respect to the scientific and technological premises underlying the provision. It is now known, for example, that of the numerous substances shown to induce cancer in laboratory animals (in part because of more and better testing techniques) some act as direct carcinogens, while others act indirectly or through secondary means. It is also known that the risks to humans from substances shown to induce cancer in animals vary greatly, depending on the potency of the substance, its mechanism of action, the level of exposure, and numerous other factors. Techniques of quantitative risk assessment have been refined to aid in distinguishing substances on the basis of risk to humans under the intended conditions of use. The need to distinguish among these substances on the basis of risk is further demonstrated by the sensitivity of analytical methods, which detect trace amounts of cancer-causing substances throughout the food supply.

The scientific capability now exists to distinguish between those substances which present risks of public health significance and those which, because the risk is so small or remote, do not. Current law does not, however, permit these distinctions to be made as a matter of regulatory policy. Regulatory policy under a revised Delaney Clause can reflect current scientific capabilities while continuing to ensure that the public health is protected.

Under section 103 of the FSMA, each of the three Delaney Clauses in the FDC Act would be amended. The amendments would not alter the basic concept of the Clauses. The amendments would, however, provide for judgments about the risk of the substance to humans under the intended conditions of use to be a factor in regulatory decisionmaking.

Under the revised Delaney Clauses, a substance would not be required to be banned (or could be approved) if the proponent of use demonstrated on the basis of credible experimental evidence, that the risks to humans under the intended conditions of use were negligible. This standard would be consistent with current science and with the definition of safe set forth in section 101 of the FSMA, while also retaining the special provisions of current law for dealing with carcinogenic substances.

In deciding whether a substance shown to induce cancer presented only a negligible risk of cancer, the FDA would consider the evidence (generally based on studies in laboratory animals) bearing on whether the substance induces cancer, as well as other "scientifically adequate experimental evidence" on such matters as the mechanism of action and metabolism of the substance. When FDA determines that it is feasible and appropriate, quantitative risk assessments could be used to aid in evaluating the safety of substances under the Delaney Clause. The revised Delaney Clause does not specify that any particular weight be given to any single component of the scientific inquiry, but does provide for all pertinent scientific evidence to be considered and for the regulatory decision ultimately to be based on the magnitude of the risk, if any, to humans.

The Delaney Clauses for food and color additives (in section 409 and 706 of the FDC Act) would also be revised to confirm that the Clause, if it applies at all, applies to the "additive as a whole" and not to the constituent parts of the additive, such as trace amounts of reaction products and chemical impurities. The safety of the constituents would continue to be determined under the general safety requirement for additives. This clarification of the scope of the Delaney Clause would ensure that additives are not banned because of the presence of trace carcinogenic constituents unless those constituents present greater than negligible risks.

VI. CONSIDERATION OF HEALTH BENEFITS

Under section 409 of the FDC Act, 21 U.S.C. § 348, regulatory decisions on food additives are based primarily on scientific judgments about the risks, if any, presented by the additive. Although food additives are required to be shown to be functional, that is, to achieve the technical or physical effect for which their use is intended, the FDC Act does not authorize an inquiry into the "benefits" of the additive. The Congress squarely addressed this issue in 1958, and decided then not to interject into the regulatory process, a consideration better left, in most instances, to the marketplace. The criteria for food additive decisionmaking has thus focused on the effects of the additive on the public health.

There exists a circumstance, however, in which current law excludes from consideration matters pertinent to the public health. This circumstance, illustrated by such diverse substances as the antioxidant BHA, the sweetener saccharin, and the preservative nitrites, occurs when an additive with a substantial history of use and no practicable substitute, can no longer be permitted on the basis of a safety assessment alone. Under current law, FDA could not, in such a circumstance, consider the health-related benefits of the additive before deciding what action to take. It is thus possible under current law, for FDA to be required to ban a long-used and unique additive even though, on balance, the public health would be better served by continued use of the additive.

Section 104 of the FSMA would correct this deficiency in current law by authorizing FDA to consider the benefits to human health from a long-used additive with no practicable substitute before prohibiting its use on the basis of the risks to human health presented by the additive. The provision would permit continued use of an additive if, after considering such benefits to human health as the effects of its use on the "nutritional value and availability of food," "uses for dietary management, and other health-related purposes," the risks to human health were found to be acceptable.

The authority to consider benefits under section 104 of the FSMA is appropriately limited in several ways. First, the provision authorizes the consideration of health-related benefits only and thereby retains the twenty-five year old concept of food additive regulation that places protection of the public health at the center of FDA's responsibilities. The provision authorizes consideration of health benefits from a broad perspective, but does not provide for the consideration under any circumstances of non-health-related benefits.

Second, benefits would be considered only for food additives (and not for color additives), and then only for those food additives which have a substantial history of use and for which there are no practicable substitutes. This limitation will help to ensure that the consideration of benefits will occur only in those situations in which there is likely to be adequate evidence bearing on the benefits, and not simply speculation about them.

Third, as is the case with establishing the safety of a food additive, the burden to demonstrate that the risks to human health are acceptable on account of the benefits to human health would rest with the proponent of use of the additive. The FDA's role would continue to be to evaluate the evidence provided by others consistent with the criteria set forth in the FDC Act. Evidence to demonstrate benefits would be required to meet the same standards for evidence of risk to health.

VII. SCIENTIFIC PEER REVIEW

It is widely acknowledged that the reliability, credibility, and integrity of the scientific process depends, in large measure, on the careful use of scientific peer review. Consideration of scientific findings, evidence, and reports by other scientists with appropriate expertise, helps to ensure that decisions (regulatory or others), are based on sound, reproducible, valid, and reliable studies. The essence of a sound system for scientific peer review is the reliance on independent and qualified scientists to undertake a careful and comprehensive review of all data pertinent to a scientific proposition or conclusion.

Scientific peer review is an important component of food safety regulation. It helps to ensure that decisions are based on a scientifically sound basis and thereby to maintain public confidence in the appropriateness of the regulatory system. FDA has resorted to peer review on occasion in recent years for advice and assistance on significant scientific issues related to food safety (and other aspects of its regulatory responsibilities). The resort to scientific peer review by FDA, however, has not been consistent or predictable.

Section 105 of the FSMA would direct the FDA, within 180 days of enactment, to pro-

vide by regulation for a system of independent scientific peer review on "substantial scientific" issues related to food safety. The regulations would be required to embody the essential features of a workable independent scientific peer review provision but would leave the details of the system to be determined by the FDA, after it received comments from the public on its proposed system. The peer review system mandated under section 105 does not, of course, prevent FDA from seeking advice on its own initiative from scientists employed by other agencies of the Federal Government.

Under Section 105, the FDA would be required to obtain advice from qualified scientists who are not employed by the Federal Government whenever a substantial scientific issue arises, the resolution of which, in the judgment of the FDA, would be "materially facilitated" by independent scientific peer review. To assist the committee of experts in reaching independent conclusions, the provision provides for the appointment of a scientifically-qualified staff of persons who, like the committee members, are not fulltime employees of the Federal Government.

Peer review would be required only when FDA finds that because, for example, the issues are unique, the scientific findings are controversial, or conflicting data are presented, the resolution of the scientific issues underlying a regulatory decision and, therefore, the credibility of the regulatory decision itself, would be enhanced by independent scientific peer review.

Section 105 provides for the receipt of *advice* from scientific experts. It does not change the fact that the ultimate responsibility for the regulatory decision rests with the FDA.

VIII. INDIRECT ADDITIVES

Among the substance which are defined as "food additives" under section 201(s) of the FDC Act, are those which, because of their use in food production, packaging or holding, become or may reasonably be expected to become a part of food. This category of additives is know as "indirect additives" because, although they are used in contact with food, they are not deliberately or "directly" added to it.

Beginning in 1958 and continuing until today, FDA has differentiated in its regulatory policy between direct and indirect additives. Unlike most direct additives, the indirects are not advertently added to food and if present there at all (through food contact surfaces) are present at low levels, sometimes so low as to defy detection by even the most sophisticated analytical techniques available.

A recurring difficulty in the regulation of indirect additives has been the determination of whether a substance is subject to food additive regulation at all (i.e., is there a reasonable expectation that a substance, such as a component of a plastic container, will become a component of food). It is important that this question be resolved so that scarce FDA resources are not allocated to substances which are not likely to become part of food and, if they do, only at levels of no public health significance, and to provide predictability and certainty for manufacturers and users of food contact materials.

Section 106 of the FSMA would add a new section 414 to the FDC Act to require, within two years of enactment, that FDA establish, by regulation, standards to determine under what circumstances the use of a substance in a food contact situation (i.e., an indirect additive) meets the food additive definition in section 201(s) of the FDC Act. In issuing these regulations, the FDA would be directed to consider, among other relevant factors, the extent of human exposure to a substance under the intended conditions of use and the toxicological characteristics of the substance. The regulations would then clarify when there is not a "reasonable expectation" that a substance will become a part of food within the meaning of section 201(s) of the FDC Act.

IX. SECTION 406 PROCEDURES

Section 107 of the FSMA would provide for the adoption of regulations under section 406 of the FDC Act by informal rulemaking, rather than the formal rulemaking now required. This amendment would provide for the adoption of tolerances for food contaminants, for example, through less cumbersome and time-consuming regulatory procedures. Because the current procedures for tolerances under section 406 are so cumbersome, FDA has rarely relied formally on the section, opting instead for the informal approach of "action levels." With less involved procedures required under Section 406, it is expected that FDA would no longer need to rely on action levels to the extent that it has and would, instead, use section 406 as it was intended to be used.

X. CONFORMING CHANGES TO THE FMI, PPI AND EPI ACTS

Title II of the FSMA would make several changes to the FMI, PPI and EPI Acts, each of which is enforced by the USDA.

First, section 201 of the FSMA would amend each of the three agricultural product laws to provide that a meat, poultry or egg product is adulterated because it contains an added poisonous or added deleterious substance when the presence of the substance renders the food "unsafe within the meaning of section 406" of the FDC Act. This amendment would thereby substitute the standard of section 406 for the current "unfit for human food" criterion. In so doing, the amendment would permit USDA to consider the factors set forth in section 406 for determining when an added poisonous or added deleterious substance adulterates a meat, poultry or egg product and make its regulatory policy consistent with that of FDA. The amendment would also authorize USDA to issue regulations under section 406 for added poisonous or added deleterious substances in meat, poultry and egg products, but, to avoid duplication, only if FDA has not already done so. The amendment does not affect FDA's current authority to issue regulations under section 406.

Second, section 201(b) of the FSMA would correct a technical defect in the FMI, PPI and EPI Acts. Unlike the FDC Act, the three agricultural laws do not provide that the use of a substance, in a meat, poultry, or egg product in accordance with a regulation issued under sections 406, 408, 409 or 706 of the FDC Act, does not result in the adulteration of the product under one of the general adulteration provisions of those laws. Without this amendment, it is possible for a meat, poultry, or egg product to be adulterated because of the presence of a food contaminant, pesticide residue, food additive, or color additive even though the use of the substance conforms to a regulation providing for its use.

Third, sections 202, 203 and 204 amend the PPI, FMI and EPI respectively, to authorize USDA to phase out the use of substances in meat, poultry and egg products for which it has primary responsibility (*e.g.*, a substance for which it has issued a prior sanction under section 201(s) of the FDC Act). Phaseout regulations for such substances would be issued by USDA in accordance with the phaseout provision in section 306(b) of the FDC Act.

Finally, sections 202, 203 and 204 of the FSMA would provide for USDA to adopt, within 180 days of enactment, regulations for the establishment of an independent scientific peer review system. This provision is identical to that for FDA and a consistent approach to this subject between the two agencies is expected.

XI. EFFECTIVE DATE

Title III of the FSMA provides that its provisions take effect upon enactment.

By Mr. WALLOP (for himself, Mr. DOMENICI, Mr. BAKER, Mr. BYRD, Mr. MCCLURE, Mr. JOHNSTON, Mr. DURENBERGER, Mr. MATSUNAGA, Mr. HATFIELD, and Mr. FORD):

S. 1939. A bill to amend the Internal Revenue Code of 1954 to extend the period for qualifying certain property for the energy tax credit, and for other purposes; to the Committee on Finance.

ALTERNATIVE ENERGY TAX INCENTIVES ACT OF 1983

● Mr. WALLOP. Mr. President, today I am introducing the Alternative Energy Tax Incentives Act of 1983 and I am especially pleased to note that joining me as cosponsors of this proposal are the distinguished majority and minority leaders, Senator BAKER and Senator BYRD, as well as Senators DOMENICI, MCCLURE, JOHNSTON, DURENBERGER, MATSUNAGA, HATFIELD, and FORD. Similar legislation was introduced in the House of Representatives earlier this week.

The major national organizations which represent most alternate energy technologies have participated with us in the drafting of this legislation and consequently, this bill already has the support of the majority of those interests that are actively pursuing the development of synthetic fuels and renewable energy resources.

The provisions of this legislation do not provide any one group, neither those involved in synthetic fuels development, nor those pursuing the development of renewable energy resources, with all those tax incentives which have been advocated by the particular group. Rather, this bill has been drafted in a spirit of compromise; equal attention has been given toward drafting a measure which provides those minimum tax-related incentives needed to encourage development of alternative energy technologies while also taking into account our country's pressing Federal deficit and the need to minimize overall negative revenue impacts to the Federal Treasury.

I would also note that the major provisions of this bill are derived from proposals which have been previously introduced by Senator DOMENICI, the

late Senator Jackson, and others (S. 1396) and by Senator PACKWOOD, Senator MATSUNAGA, and others (S. 1305). These two measures were originally referred to the Subcommittee on Energy and Agricultural Taxation which I chair. The subcommittee has already conducted 2 days of public hearings on these tax bills and has received testimony from a broad cross section of public and Government witnesses. At the outset of the hearings I stated that while I believed a case could be made for tax incentives for the continued development of our alternative energy resources, I also cautioned those who provided testimony that it was incumbent upon the synthetic fuels and renewable energy industries to make a convincing and substantiated case that tax incentives are important in developing various alternative energy technologies and that without some incentives those technologies will not be otherwise economically feasible.

In my opinion that case has been made, and, I believe that the legislation we introduce today reflects the findings of those hearings. More specifically, our proposal, which attempts to consolidate the major provisions of S. 1396 and S. 1305 and those additional meritorious suggestions of certain witnesses, provides the following changes to current law:

MAJOR PROVISIONS OF LEGISLATION AFFECTING ENERGY TAX CREDITS

Affected items	Existing law	New proposal
Solar tax credit for individuals	40 percent until Dec. 31, 1985	40 percent until Dec. 31, 1985; 30 percent from Jan. 1, 1986 through Dec. 31, 1988; 20 percent from Jan. 1, 1989 through Dec. 31, 1990.
Energy investment tax credits (EITC) for businesses:		
Solar wind geothermal	15 percent EITC until Dec. 31, 1985	20 percent EITC until Dec. 31, 1990; 30 percent EITC until Dec. 31, 1990 for solar photo voltaics.
Ocean thermal	15 percent EITC until Dec. 31, 1985	20 percent EITC until Dec. 31, 1990.
Biomass	10 percent EITC until Dec. 31, 1985	10 percent EITC until Dec. 31, 1990.
Hydroelectric	11 percent EITC until Dec. 31, 1985	11 percent EITC until Dec. 31, 1990.
Cogeneration	10 percent EITC until Dec. 31, 1985	10 percent EITC until Dec. 31, 1990.
Affirmative commitment deadlines:		
Solar wind geothermal biomass	None	EITC extended until Dec. 31, 1995 if: (1) feasibility studies and permit applications completed by Dec. 31, 1990; (2) half of equipment ordered by Dec. 31, 1993.
Ocean thermal cogeneration	do	Do.
Hydroelectric	do	EITC extended until Dec. 31, 1995 if FERC permit application filed by Jan. 1, 1990.
Coal-derived synthetic fuels shale oil	Eligible for 10 percent EITC until Dec. 31, 1990, provided: (1) engineering studies and permit applications completed before Jan. 1, 1983; and (2) binding contracts signed for half of specially designed equipment before Jan. 1, 1986.	Eligible for 10 percent EITC until Dec. 31, 1995 if condition 1 met by Dec. 31, 1987 and condition 2 met by Dec. 31, 1990.
Tar sands	Ineligible for coverage	Eligible for EITC coverage tar sands depletion allowance.
Shale oil hydrogenation equipment	Eligible for coverage through Dec. 31, 1982	Eligible for coverage until Dec. 31, 1995.

The Department of the Treasury has expressed opposition to the continuation of energy tax credits. This position is not surprising but I am deeply troubled by the rationale utilized to oppose tax incentives for development of alternative energy technologies. During the subcommittee's hearings this past summer, the Treasury Department testified that continuation of energy tax credits was contrary to the administration's general philosophy of relying on the free operation of the marketplace to allocate resources. I have no quarrel with that policy as a matter of general economic principle. However, I cannot agree with the operation of that principle as a guideline for determining our energy policy.

The hearing record of the Energy and Agricultural Taxation Subcommittee is replete with testimony that energy tax incentives are an absolute necessity to insure the economic development of alternative energy technologies, be it the production of oil from shale or tar sands or electricity from geothermal or solar energy. Given the current price of traditional fossil fuel resources it is not surprising that few companies, if any, can justify massive expenditures on energy technologies which produce a product that is more costly than current traditional energy supplies. Without some type of incentives, the marketplace will not allocate resources to such endeavors. As a matter of energy policy, I believe Government has an obligation to provide those incentives and thereby better insure the prospect of energy selfsufficiency. Surely, opposition to incentives by Government which could assist in our gaining energy independence is an ostrich-like approach. If we learned anything from the energy crises of the 1970's it was that dependency on foreign energy supplies can cause massive worldwide economic upheaval. What good is strict adherence to an economic philosophy if we cannot run our factories or move our produce and people? To protect the interests of the United States and to avert economic devastation like that which was wrought by OPEC in our recent past it seems to me that Government has a proper role in the energy marketplace. For these same reasons, while I am ever mindful of budget constraints and large Federal deficits I, nevertheless, think it prudent to incur the short-term revenue impact of this type of legislation in order to insure long-term energy self-sufficiency. To concentrate only on the costs of lost tax revenues, which is the litmus test for opposition by the Treasury Department, ignores the danger—which the economy of this country has already experienced—of depending on foreign supplies of crude oil.

I enthusiastically recommend the passage of this legislation which I believe is vital to the development of economically feasible alternative energy technologies.●

By Mr. DANFORTH (for himself, Mr. MITCHELL, Mr. EVANS, Mr. BENTSEN, Mr. GORTON, Mr. MOYNIHAN, Mr. COHEN, Mr. HEINZ, Mr. WALLOP, Mr. SYMMS, and Mr. BAUCUS):

S. 1940. A bill to amend the Internal Revenue Code of 1954 to deny the deduction for amounts paid or incurred for certain advertisements carried by certain foreign broadcast undertakings; to the Committee on Finance.

CANADIAN BORDER BROADCASTING

● Mr. DANFORTH. Mr. President, today I am joined by a number of my distinguished colleagues in reintroducing legislation to redress an unfair Canadian trade practice. This bill is the product of two Presidential recommendations in response to a complaint filed by 14 U.S. broadcasters in 1978 pursuant to section 301 of the Trade Act of 1974.

At issue is a Canadian practice that discriminates against American border television and radio stations through the denial of a tax deduction to Canadian advertisers who wish to use their services. By one estimate, the Canadian practice is costing U.S. broadcasters $20 million annually in lost revenues.

Viewed in trade policy terms, the border broadcasting case is simple: A restrictive foreign trade practice has adversely affected the export of a U.S. service. The Canadian practice is a clear distortion of the principle of free trade. Imposition of an offsetting barrier for the purpose of convincing the Canadians to eliminate their restrictive trade practice is now appropriate.

In the face of our growing balance of trade deficit, it is crucial that Con-

gress stand behind American export interests. The communications industry is an important service industry and the service sector is becoming an increasingly important growth factor on our export ledger. Thus, it is vitally important that we reenforce one of the few legal mechanisms which U.S. service exporters can invoke to gain relief from foreign trade barriers.

The border broadcast case is the first case involving services filed under section 301 of the Trade Act to receive a Presidential recommendation for a reciprocal response. This case has, therefore, assumed symbolic importance for our service industry exporters. Moreover, failure to vigorously implement the finding in this case would threaten to undermine the credibility of section 301.

The Finance Committee, Mr. President, held full hearings on the identical bill, S. 2051, on May 14, 1982. No committee member expressed opposition. The witness from the Department of the Treasury expressed complete support and urged prompt approval in order to send a clear message to Canada that the United States finds the policies of the Canadian Government in this regard to be totally unacceptable.

After the House held hearings on an identical bill, H.R. 5205, on July 26, 1982, the Canadians for the first time indicated informally a willingness to negotiate. The 97th Congress took no action on the mirror bill in the hope that a resolution was near.

By midsummer of this year, it was clear that the Canadians had no serious intention to negotiate a solution to the broadcasters' complaint. The administration resubmitted the mirror proposal on August 3.

The administration wants this legislation passed quickly. It enjoys bipartisan support. We must show the Canadians that the U.S. Government is serious about ending this grossly unfair trade practice. The only way is to pass the mirror bill.

The administration and the Congress have been threatening to retaliate against Canadian bill C-58 for more than 4 years. The border broadcast industry has waited long enough. The industry has used the section 301 process which Congress provided for them. They have patiently waited for us to pass this mirror legislation. Now is the time to act.

In view of the bipartisan support, the administration's recommendation, and the thorough hearings held in both Houses on the identical bill, there is no reason to delay. On the contrary, I intend to seek expeditious enactment of this legislation.

Mr. President, I ask unanimous consent that both the text of the bill and the administration's message on the Canadian border broadcasting case be included in the RECORD.

S. 1940

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended by redesignating subsection (i) as subsection (k) and by inserting before such subsection the following new subsection:

"(j) CERTAIN FOREIGN ADVERTISING EXPENSES.—

"(1) IN GENERAL.—No deduction shall be allowed under subsection (a) for any expenses of an advertisement carried by a foreign broadcast undertaking and directed primarily to a market in the United States. This paragraph shall apply only to foreign broadcast undertakings located in a country which denies a similar deduction for the cost of advertising directed primarily to a market in that foreign country when laced with a United States broadcast undertaking.

"(2) BROADCAST UNDERTAKING.—For purposes of paragraph (1), the term 'broadcast undertaking' includes (but is not limited to) radio and television stations."

(b) The amendment made by subsection (a) shall apply to taxable years beginning after the date of the enactment of this Act.

U.S. TRADE REPRESENTATIVE,
Washington, D.C., August 3, 1983.

Hon. GEORGE BUSH,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: On November 17, 1981, the President recommended legislation concerning tax deductions for expenses for advertising placed with a foreign broadcast station and directed primarily at the U.S. market. The President's transmittal was as follows:

To the Congress of the United States:

On September 9, 1980, President Carter sent a message to the Congress concerning the Canadian tax law which denies a deduction for Canadian income tax purposes for the cost of advertising placed with a foreign broadcast undertaking and directed primarily at the Canadian market. President Carter determined that this provision within Canadian law is an unreasonable practice which burdens U.S. commerce within the meaning of section 301(a)(2)(B) of the Trade Act of 1974, as amended (19 U.S.C. 2411(a)(2)(B)). President Carter further determined that the Canadian practice resulted in the loss of access by U.S. broadcasters to more than $20 million in advertising revenues annually.

President Carter, under provisions of the Trade Act of 1974, proposed legislation which would amend the Internal Revenue Code to deny a deduction, otherwise allowable under the Code, for expenses of an advertisement placed with a foreign broadcast undertaking and directed primarily to a market in the United States. This restriction would apply only if a similar deduction is denied to advertisers in the country in which such station is located for the cost of advertising directed primarily to a market in that country when placed with a U.S. broadcast undertaking. It would, therefore, be applicable with Canada.

Section 301 of the Trade Act of 1974 requires that if the President determines that action by the United States is appropriate to respond to any act, policy or practice of a foreign country that is unjustifiable, unreasonable or discriminatory and burdens or restricts United States commerce, he shall take all appropriate and feasible action within his power to obtain the elimination of such act, policy or practice. The intent of section 301 is to resolve disputes and thereby eliminate the unjustifiable, unreasonable or discriminatory trade practices which burden or restrict United States commerce. The Canadian tax law is the subject of one such dispute. Notwithstanding a good faith effort on the part of the United States Trade Representative to resolve the dispute and have the offending practice eliminated, this dispute has not been resolved. Therefore, I am acting under the authority of section 301 to recommend legislation similar to the amendment proposed by President Carter. This amendment to the Internal Revenue code would mirror the Canadian law as it applies to broadcast undertakings, i.e., it would deny a tax deduction for expenses of advertisements placed with a foreign broadcast undertaking and directed primarily to a market in the U.S. This restriction would apply only if the laws of the country in which such foreign broadcast undertaking is located deny a similar deduction to advertisers in that country. Thus, the legislation will establish a disincentive to the transfer of U.S. advertising revenues to foreign broadcast undertakings only if the laws of the country in which such broadcast undertakings are located create a similar disincentive vis-a-vis U.S. broadcast undertakings. Thus, if Canada should repeal its law, the amendment will cease to apply to Canada. It would be effective with respect to deductions attributable to transactions entered into on or after the date of introduction of this bill.

At this time, the mirror image legislation is an appropriate response to the Canadian practice. The intent of such legislation is not to erect new barriers to trade, but rather to encourage the Canadians to eliminate their unreasonable and restrictive practice. I recognize, however, that this amendment by itself may not cause the Canadians to resolve this dispute. Therefore, I note that I retain the right to take further action, if appropriate to obtain the elimination of the practice on my own motion under the authority of section 301(c)(1). Hopefully, this will not be necessary.

This legislative proposal is being submitted at this time because I believe it is imperative that the Government of Canada be made to realize the importance the U.S. Government attaches to the resolution of this issue. I urge its early passage.

(Signed) RONALD REAGAN.

THE WHITE HOUSE, *November 17, 1981.*

In the intervening time the problem has not been satisfactorily resolved. I therefore renew the President's request for the early enactment of the legislation described in the enclosed proposal.

There is no objection from the standpoint of the Administration's program to the presentation of this legislative proposal to the Congress and its enactment would be in accord with the program of the President.

Very truly yours,

WILLIAM E. BROCK.●

● Mr. MITCHELL. Mr. President, I am pleased to join Senator DANFORTH in introducing this legislation, which is intended to induce the Canadian Government to provide fair treatment for U.S. radio and television stations.

It is unfortunate that this bill needs to be introduced. This dispute began in 1976, when Canada acted to deny Canadian firms a business tax deduc-

tion for advertising on U.S. stations. Since then, the United States has made many good-faith efforts to resolve the dispute, including the proposal of a reasonable compromise earlier this year. Unfortunately, the Canadians appear unwilling to make any serious efforts to accommodate U.S. concerns, so we have no alternative to passing this "mirror-image" bill. I look forward to working with Senator DANFORTH, Chairman DOLE and other Finance Committee members in seeking timely passage of this legislation.

U.S. television stations, including many in Maine, are widely viewed in Canada. They offer services which include entertainment and information services, additional commercial availability to Canadian advertisers, and a programming service to Canadian cable systems. These are services with undeniable value in the international marketplace. Yet the Canadian tax law prevents our broadcasters from being justly compensated.

The situation involving radio stations provides an even more compelling illustration of just how misguided and unfair this Canadian trade barrier is. Calais, Maine, and St. Stephen, New Brunswick, are separated only by a narrow river. Commercially, they are virtually one city. The only radio station in the area, WQDY, broadcasts from Calais. Canadian businesses have no choice if they want to advertise on radio. Yet the Canadian Tax Code interferes with the ability of business people to choose the most efficient means to achieve their advertising objectives.

It is no surprise that President Carter found, and President Reagan reiterated, that this Canadian trade barrier violates section 301 of the Trade Act of 1974. I join in sponsoring this bill so that we can back up the Presidential finding with action to compel Canada to repeal this offensive tax law. Under this bill, as long as Canada denies fair treatment for U.S. stations, the U.S. Tax Code will deny deductions to U.S. businesses which advertise on Canadian stations.

It is difficult for an industry, especially smaller businesses, to pursue a section 301 complaint. I commend the broadcasters for perservering through a lengthy and no doubt expensive process. Clearly, prompt congressional consideration of President Reagan's proposed response will confirm the merits of their case. We are obliged to vindicate their decision to use section 301 to obtain relief from a unilateral barrier to the export of services.

By enacting effective legislation, we can test and, I think, demonstrate the efficacy of using section 301 to obtain foreign market access.●

By Mr. SPECTER:

S. 1941. A bill to establish the crime victim's assistance fund to provide Federal assistance to State and local programs to aid juvenile and adult victims of crime; to the Committee on the Judiciary.

CRIME VICTIM'S ASSISTANCE FUND

Mr. SPECTER. Mr. President, I now introduce a bill to provide compensation and assistance to the innocent victims of crime. For too long the forgotten participants in our criminal justice systems, these victims have in recent years been murdered, raped, robbed, and assaulted at staggering rates. As if to add insult to injury, the physical and emotional injuries suffered by these innocent victims and their families are often compounded by enormous financial losses for medical bills, lost wages, rehabilitation expenses, counseling expenses, and funeral expenses.

This bill will provide Federal assistance to qualifying State victim compensation programs and to victim and witness assistance programs. Up to 50 percent of State awards to victims of State crimes can be reimbursed by the Federal Government. States will obtain 100 percent reimbursement of awards to victims of purely Federal crimes. Funding will come from the crime victim's assistance fund, composed of a special court assessment to be imposed in every Federal criminal case, fines, forfeitures, and any other funds so appropriated.

Victims of crime comprise perhaps the largest group of people ever systematically ignored by the Federal Government. Consider these facts. In 1982, according to the FBI's Uniform Crime Report, a violent crime occurred every 25 seconds in this country. Murders left the families and friends of over 21,000 persons devastated; 77,000 women suffered the degradation of forcible rape. Over half a million people were robbed, 650,000 were victims of aggravated assault, and almost 3.5 million burglaries occurred. These crimes alone thus accounted for almost 5 million victims of violent crime. And each of those victims, I suggest from my experience as district attorney of Philadelphia, will carry the physical, emotional, or financial scars of this victimization for many years to come.

Perhaps nothing we can do will solve the hurt, the shock, and the sense of violation these victims and others have suffered. Yet if we can have the conscience and dedication to assure that these victims will not be victimized a second time—this time financially—then we will have made an important start. Money to help pay medical bills for those without insurance, funeral expenses, lost wages, and counseling and rehabilitation expenses can go a long way toward getting these victims on their feet again.

I am greatly encouraged by the response of the States to this problem. Beginning with California in 1965, 38 States and the District of Columbia now have victim compensation programs. The majority—24—have been instituted in the last 6 years. At a cost of approximately $44 million a year, these programs have provided funds and hope to those innocent victims who had no place else to turn.

At the same time, I sound a note of caution. The programs do not operate in all States. Some programs are seriously underfunded. Some programs have overly stringent eligibility requirements and redtape. Some set their maximum award limits too low. Some programs do no advertising, and victims are unaware of their existence. As a result, most programs make awards to only a fraction of those eligible, and the States are anxiously looking to other possible funding sources to keep victim compensation alive and well.

I believe that there is a role for the Federal Government in the field of victim compensation. Currently there is no compensation at all available for the victims of purely Federal crimes. Moreover, many States will compensate only victims of crimes who live in that State; visitors from one State who are victimized in another are simply out of luck. The Federal Government now provides aid to many parts of State and local criminal justice systems—surely the victims of crime are as deserving as the perpetrators. My bill will help to fill the critical gaps in State programs.

On September 20 of this year, the Subcommittee on Juvenile Justice, which I chair, held a hearing on the need for Federal assistance to victim compensation programs. We found compelling examples of financial need. One man had been shot six times and is now paralyzed from the waist down. Unable to work, he finds himself with no money at all for rent, physical therapy, pain medication, or even to pay for his rented wheelchair. A woman who was shot through the shoulder has amassed over $100,000 in medical expenses, is unable to work, is chronically in severe pain, and will live the rest of her life with a partially paralyzed arm. And a woman from an inner-city Washington, D.C., neighborhood has had her house broken into eight separate times over the past few years—on one occasion the intruder attacked her in her bed, and on another her sister was raped.

I wish to recognize the debt we owe to my distinguished colleague from my own State of Pennsylvania, Senator HEINZ, a recognized leader in the field of victim's rights and assistance. Last year he engineered the passage of the Omnibus Victims Protection Act of 1982. This year he has also introduced crime victim compensation legislation, S. 704, which is a significant step in the correct direction. Under this bill, I

hope we will be able to assist even greater numbers of deserving, innocent victims of crime.

I am also greatly encouraged by the response of the administration. Last year, the President's Task Force on Victims of Crime strongly endorsed the concept of Federal assistance to State victim compensation programs. At our hearing on September 20, Lois H. Herrington, Assistant Attorney General and formerly chairman of the President's task force, advised us that the proposal of such legislation was under serious and careful consideration within the Department of Justice.

This bill will provide 80 percent of the money in the fund directly toward reimbursement of States with qualifying victim compensation plans. The rest of the fund will be devoted to victim and witness assistance programs.

I urge every Member of the Senate to give innocent victims of crime a high priority on our agenda, and to move swiftly to consider and pass this vital legislation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD following this statement.

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

S. 1941

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part II of title 18, United States Code, is amended by adding at the end thereof the following:

"CHAPTER 239—CRIME VICTIM'S ASSISTANCE FUND

"§ 3801. Establishment of Crime Victim's Assistance Fund

"(a) There is established in the Treasury of the United States a revolving fund, to be administered by the Attorney General and to be known as the Crime Victim's Assistance Fund. The fund shall be the depository of—

"(1) fines paid by all individuals convicted of Federal offenses in the amount of—

"(A) $10 to $100 for each misdemeanor and $25 to $500 for each felony as a special court assessment; and

"(B)(i) an additional surcharge of up to 100 per centum on all Federal fines paid in the courts of the United States; or

"(ii) double any gain by the defendant or loss by the victim in any case where the fine authorized by clause (i) is less than the gain realized by the defendant or the harm suffered by the victim; and

"(2) all forfeitures with the exception of those required by Federal law enforcement agencies.

"(b) In addition, there are authorized to be appropriated to the fund such other sums as may be necessary for each fiscal year to carry out the provisions of this chapter.

"§ 3802. Imposition and collection of fines

"(a)(1) In imposing a fine under section 3801(a)(1)(B)(ii) the court shall consider the ability of the defendant to pay. In any case where a fine is not imposed under section 3801(a)(1)(B) or any other provision of law the court shall state for the record the reasons a fine was not imposed.

"(2) If a fine is imposed under this chapter or any other provision of law, the sentencing court shall promptly certify to the Attorney General—

"(A) the name of the person fined;

"(B) his last known address;

"(C) the docket number of the case;

"(D) the amount of the fine imposed;

"(E) the time and method of payment specified by the court;

"(F) the nature of any modification or remission by the court; and

"(G) the amount of the fine that is due and unpaid.

"In addition to the preceding information, the court shall promptly certify to the Attorney General the amount of any subsequent payment that the court may receive with respect to, and the nature of any subsequent remission or modification of, a fine concerning which certification has previously been issued.

"(b)(1) The Attorney General shall be responsible for collection of an upaid fine concerning which a certification has been issued as provided in subsection (a)(2).

"(2) A fine imposed pursuant to the provisions of this section or any other provision of law is a lien in favor of the United States upon all property belonging to the person fined. The lien arises at the time of the entry of the judgment and continues until the liability is satisfied, remitted, or set aside, or until it becomes unenforceable pursuant to the provisions of paragraph (3).

"(3) A lien becomes unenforceable and liability to pay a fine expires—

"(A) twenty years after the entry of the judgment;

"(B) upon the death of the individual fined.

The period set forth in clause (A) may be extended, prior to its expiration, by a written agreement between the person fined and the Attorney General. The running of the period set forth in clause (A) is suspended during any interval for which the running of the period of limitations for collection of a tax would be suspended pursuant to section 6503(b), 6503(c), 6503(f), or 7508(a)(1)(I), or section 513 of the Act of October 17, 1940, 54 Stat. 1190.

"(4) The provisions of sections 6323, other than subsections (f)(4) 6331 through 6343, 6901, 7402, 7403, 7405, 7423 through 7426, 7505(a), 7506, 7508, 7602 through 7605, 7622, 7701, 7805, and 7810, of the Internal Revenue Code of 1954 (26 U.S.C. 6323, 6331 through 6343, 6901, 7402, 7403, 7405, 7423 through 7426, 7505(a), 7506, 7508, 7602 through 7605, 7609, 7610, 7622, 7701, 7805, and 7810), and of section 513 of the Act of October 17, 1940, 54 Stat. 1190, apply to a fine and to the lien imposed by paragraph (1) as if the liability of the person fined were for an internal revenue tax assessment, except to the extent that the application of such statutes is modified by regulations issued by the Attorney General to accord with differences in the nature of the liabilities. For the purposes of this subsection, references in the preceding sections of the Internal Revenue Code of 1954 to 'the Secretary' shall be construed to mean 'the Attorney General,' and references in those sections to 'tax' shall be construed to mean 'fine.'

"(5) A notice of the lien imposed by paragraph (1) shall be considered a notice of lien for taxes payable to the United States for the purposes of any State or local law providing for the filing of a notice of a tax lien. The registration, recording, docketing, or indexing, in accordance with 28 U.S.C. 1962, of the judgment under which a fine is imposed shall be considered for all purposes as the filing prescribed by section 6323(f)(1)(A) of the Internal Revenue Code of 1954 (26 U.S.C. 6323(f)(1)(A)) and by paragraph (4).

"§ 3803. Distribution of fund to State victim compensation programs

"(a) Eighty per centum of the funds in the fund established by section 3801 shall be distributed to qualifying State crime victim's compensation programs by the Attorney General.

"(b) In order to qualify for funds under this section, a State victim's compensation program shall—

"(1) provide compensation for medical expenses (including mental health counseling and care, prosthetic devices, dental services, and services rendered in accordance with any method of healing recognized by the law of such State) attributable to any injury resulting from a compensable crime;

"(2) provide compensation for lost wages attributable to an injury resulting from a compensable crime;

"(3) provide compensation for funeral expenses attributable to a death resulting from a compensable crime;

"(4) promote victim cooperation with the reasonable requests of law enforcement authorities;

"(5) not discriminate against nonresidents of the State in the availability and awarding of compensation;

"(6) provide compensation to otherwise compensable victims of crime within such State where such crimes are subject to exclusive Federal jurisdiction;

"(7) take into account in determining compensation awards any contributory misconduct of the victim or recipient;

"(8) not automatically exclude any person from compensation solely on the ground of the person's relationship with the perpetrator of the crime; and

"(9) subrogate the State to any claim that a compensation recipient has against the perpetrator of the crime forming the basis for compensation, to the extent of such compensation.

"(c) The Attorney General shall make grants to eligible State victim's compensation programs—

"(1) of up to 50 per centum of the total awards made by the State program during the previous year; and

"(2) of 100 per centum of the total awards made during the previous year by the State program to victims of crimes within such States which would be compensable crimes but for the fact that such crimes are subject to exclusive Federal jurisdiction.

"(d) No State shall receive funds under this section until the crime victim's compensation program of such State has been operational for a year.

"(e) No State shall receive funds under this section for any amount awarded as compensation—

"(1) for pain and suffering;

"(2) for property loss; or

"(3) that is double recovery for loss.

"§ 3804. Distribution of fund to victim and witness assistance programs

"(a) Twenty per centum of the funds collected by the Crime Victim's Assistance Fund shall be distributed by the Attorney General to support victim and witness assistance programs. Twenty per centum of these victim and witness program funds shall be distributed equally among the States; eighty per centum shall be distributed on the basis of the States' respective populations.

"(b) For purposes of this section, a victim and witness assistance program is eligible for funds if the program—

"(1) provides services exclusively to Federal crime victims and witnesses; or

"(2) provides services to crime victims and witnesses—

"(A) is a nonprofit private organization, a State or local government program, or a combination thereof;

"(B) provides services directly to crime victims and their families;

"(C) provides, or makes referrals for, crisis intervention services, medical and mental health treatment and counseling, information concerning the investigation and prosecution of crime, and information concerning victim compensation;

"(D) utilizes volunteers in performing services; and

"(E) demonstrates independent support by receiving at least one-half of its financial support from sources other than funds distributed pursuant to this section.

"§ 3805. Definitions

"As used in this chapter the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

"§ 3806. Report to Congress

"The Attorney General shall report to the Congress three years after the date of enactment of this chapter concerning the effectiveness of this chapter and any necessary modifications or other legislative action.".

(b) The table of chapters for part II of title 18, United States Code, is amended by adding at the end thereof the following:

"239. Crime Victim's Assistance Fund..... 3801.".

SEC. 2. The Attorney General shall promulgate regulations within six months of the date of enactment of this Act to assure equitable distribution of funds among eligible programs.

By Mr. DIXON (for himself and Mr. PERCY):

S. 1942. A bill to amend the Merchant Marine Act of 1936 to provide that Government-generated cargoes transported on U.S.-flag or foreign vessels shall be shipped at the lowest cost, and whenever possible at the lowest landed cost, and that the transport of such cargoes shall be subject to a competitive bidding system; to the Committee on Commerce, Science, and Transportation.

LOWEST COST CARGO TRANSPORT ACT OF 1983

Mr. DIXON. Mr. President, I am today, along with Senator PERCY introducing the Lowest Cost Cargo Transport Act of 1983. This legislation amends the Merchant Marine Act of 1936, to require that U.S.-generated cargoes, which are transported under U.S.-flag or foreign-flag ships, will be shipped at the lowest cost to the Federal Government. It will also introduce a competitive bidding system to be used by Federal agencies.

This legislation recognizes that the U.S. merchant marine is an important component of our country's defense and foreign export system. The legislation requires that under a competitive bidding system, a Federal agency is required to insure that shipping rates are solicited from each of the four seacoasts, and only one final bid can be accepted. In addition, the legislation would rescind the current 3-year waiting period to "reflag" a foreign vessel owned and operated by a U.S. citizen, as along as the foreign vessel has had all the necessary repairs to bring such a vessel into conformity with the U.S. maritime standards. This work must be accomplishied in U.S. shipyards.

Mr. President, the Government finances for export a wide range of products through many Federal agencies. For example, during calendar year 1979, a total of 10,858,608 metric tons of cargo was shipped from the United States under Public Law 664. This is a program which includes all preference cargo, with the exception of Export-Import Bank-financed sales. The cargo preference laws dictate that 50 percent or more of the cargo be shipped on U.S. flag vessels. This is a major source of cargo assurance to a fleet that is not economically competitive. My legislation will increase the size of the U.S. merchant marine fleet, and require competitive bidding similar to the bidding system used by the Military Sea Lift Command. This program has consistently demonstrated that cargo shipped by U.S. commercial fleets, determined by an open bidding system, saves the U.S. Government and the taxpayers money.

Mr. President, I wish to emphasize, at the outset, that this legislation does not in any way alter the U.S. merchant marine entitlements under the Jones Act, and it will probably see a great increase in U.S. cargo being shipped under the U.S. flag. I believe this legislation could well provide the needed incentive for American business to increase the size of our merchant marine fleet.

Mr. President, toward the end of the 97th Congress, I introduced similar legislation contained in S. 2511. However, this new bill will, I believe, accommodate the many interests within the U.S. shipping industry. It seems to me that a fundamental principle of any economically sound operation is its intent to achieve a result at the lowest cost. It is certainly the expectation of the American taxpayer that the Federal Government will eliminate unnecessary spending wherever it is found. I submit that this bill will insure that shipments of Government-generated cargoes, be they Agency for International Development or General Services Administration cargoes, will involve as little expenditure of the Federal purse as possible. The savings from this bill can thus be used more productively to generate more export cargo. As a Nation, we need to be committed to achieving and maintaining clear maritime superiority with a sound fiscal program. We can reach that goal without paying more than necessary.

By Mr. DIXON (for himself, Mr. PERCY and Mr. RIEGLE):

S. 1943. A bill to eliminate the collection of tolls on the U.S. portion of the St. Lawrence Seaway, to terminate the St. Lawrence Seaway Development Corporation and establish a St. Lawrence Seaway Development Administration in the Department of Transportation, and for other purposes; to the Committee on Environment and Public Works.

ST. LAWRENCE SEAWAY DEVELOPMENT ADMINISTRATION

Mr. DIXON. Mr. President, the St. Lawrence Seaway system is a dynamic international waterway extending from the Atlantic Ocean to as far inland as Duluth, Minn. When it was readied for navigation in 1959, the seaway opened the Great Lakes to the world, tying the heartland of America to the commerce of the world, permitting ships from such ports as Casablanca and Le Havre to reach the Great Lakes ports of Chicago, Milwaukee, Detroit, and Cleveland. In fact, it opened a new coastline for the United States and began a new chapter in the maritime history of the United States.

However, this new coastline has had, and still continues to have, a handicap that the three tidewater coasts do not suffer: shippers and vessel operators have to pay a toll to use the seaway in order to reach the Great Lakes' ports. Today, Mr. President, I rise to introduce legislation to correct this handicap and eliminate the collection of tolls on the U.S. portion of the St. Lawrence Seaway.

When the Seaway opened in 1959, the United States and Canadian Seaway Corp. entered into their first joint agreement on tolls. Tolls were to be levied on both the St. Lawrence River locks and the Welland Canal with 29 percent of the toll revenue from the St. Lawrence returned to the U.S. Corporation, and the remaining 71 percent of the revenues returned to the Canadian Seaway Authority. This revenue split was based upon relative costs of operation anticipated by each seaway corporation.

In 1962, tolls levied on the use of the Welland Canal were suspended, leaving tolls levied only on the St. Lawrence River locks.

That was how it stayed until January 1967. At that time, the Canadian

Authority moved to increase the toll on the seaway as a whole. The U.S. Corporation agreed to a toll increase, but the U.S. Government did not concur in the proposed increases. As a result, there was no toll increase, but the U.S. Corporation had to surrender 2 percent of its toll revenue to the Canadian Corporation.

Again in 1976, Canada initiated talks to raise tolls. In March of that year, the United States and Canadian corporations agreed to a toll increase. The agreement restored the original seaway revenue split, reintroduced tolls on the Welland Canal, and incrementally raised tolls over a 3-year period. This was the first major toll increase since the seaway had opened 19 years earlier.

However, it was a major increase—100 percent. In a 5-year period since that first toll increase in 1978, tolls have continued to increase by another 28 percent. These increase have had a major negative impact on Great Lakes shipping. At the Port of Chicago alone, calls have dropped nearly 50 percent, from 370 in 1977 to 156 in 1982.

These large toll increases occurred even after the Merchant Marine Act of 1970 relieved the Seaway Corporation's requirement to pay interest on its construction debt. Also, this act officially established seacoast status for the entire system. However, it fell far short of putting the Great Lakes on an equal footing with the three tidewater coasts. Since it costs nothing for shippers to sail to ports on the east, gulf and west coasts, the St. Lawrence Seaway is, and continues to be, the only waterway in American history compelled to pay its own way.

Last December, Congress acted to cancel the seaway's construction debt. The major benefit of the debt elimination was the cancellation of massive toll increases on the waterway, which would have been needed by 1986, when the U.S. corporation's annual debt service requirement would have risen drastically.

The winter, 1983 Seaway Review said of this action:

> We don't necessarily see the legislation as producing any more cargo. However, in the long term, we know that we will be able to keep cargo that we might have otherwise lost to the railroads or down the rivers as a result of toll increases.

At the time we considered the debt forgiveness legislation, I stated that debt elimination was setting a precedent for action on other Great Lakes priorities. I believe that this legislation is part of that agenda to insure that economic vitality of the Great Lakes region. The Seaway plays a primary role in shipping grain and iron ore from the Midwest to the world.

A recent Government Accounting Office report stated that the already established tolls for the 1983 season on the Seaway were required to finance deferred and planned projects. Budget expenses will exceed revenue by nearly $600,000, and that further deferral of lock replacement projects could lead to operational inefficiency. But if tolls are raised to pay for these repairs, it could bring an abrupt close to that new chapter of maritime history begun only 24 years ago.

However, in the 1982 St. Lawrence Seaway Development Corporation annual report, an article entitled, "Congress Cancels U.S. Seaway Debt," explained the impact of debt relief. "The Seaway Corporation will not be able to undertake vital maintenance and improvement projects that had been deferred, replace aging equipment, and continue its development program."

The St. Lawrence Seaway System is a great natural resource, which should be developed further. However, if these improvements are financed by increased tolls. The Seaway will be a fine system, but most likely the tolls imposed for use will result in less use due to high costs. Currently, it affords significant farming and manufacturing interests of the Midwest access to low-cost water transportation, allowing the Midwest to provide low-cost commodities to the world market. If tolls rise in the future, Great Lakes ports will no longer be able to provide low-cost commodities to the world. If this occurs, the economic vitality of the ports will be damaged and many jobs would be lost.

This legislation has already received support from the Great Lakes Commission, which was established by interstate compact in 1955, and is concerned with issues directly relating to the economic welfare of the Great Lakes. At this time, I request unanimous consent to insert a copy of a resolution adopted in June at its semiannual meeting supporting this legislation.

Similar legislation has been introduced in the House of Representatives by my Illinois colleague, Congressman WILLIAM LIPINSKI.

I hope that my colleagues will join me in cosponsoring this legislation, which will insure the economic well-being of the Great Lakes ports and shipping industry.

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

RESOLUTION TO AMEND THE ST. LAWRENCE SEAWAY ACT

Whereas, on May 13, 1954 Congress passed the Seaway Act which authorized the construction of the St. Lawrence Seaway, established the Saint Lawrence Seaway Development Corporation (SLSDC) and empowered the Corporation to work with its Canadian counterpart—the St. Lawrence Seaway Authority—to prepare agreements relative to construction and operation of the Seaway, cooperate in the operation and negotiate the level of tolls for vessels transiting the Seaway; and

Whereas, while under the provisions of the Act, the SLSDC was authorized to establish tolls on vessels and cargoes sufficient to repay the costs of construction plus interest and the annual costs to operate and maintain the U.S. portion of the Seaway, the Act was amended in 1970 to relieve the SLSDC of the obligation to repay to the general fund of the Treasury the interest on the construction cost of the Seaway, and in 1982, a provision in the fiscal year 1983 appropriation bill for the Department of Transportation relieved the Corporation of the obligation to repay the remaining outstanding capital costs of about $110 million; and

Whereas, the schedule of tolls on vessels and cargoes transiting the Seaway continues to be collected to pay the annual costs of operating and maintaining the Seaway. These tolls continue to be a burden on the ability of the Great Lakes/Seaway system to compete for cargoes against the tidewater ports; and

Whereas, a major finding of a study completed by the General Accounting Office, entitled "Need for The 1983 St. Lawrence Seaway Toll Increase," April 11, 1983, is that even with the increased revenues from toll increases which averaged 18 percent in 1982 and 10 percent in 1983, the St. Lawrence Seaway Development Corporation will incur a deficit of $600,000 in 1983. As a result, the study concludes that "less than 50 percent of the 1982 deferred maintenance projects and probably none of the deferred capital replacement and improvements projects will be accomplished in 1983 because of the lack of funds." The study adds that, over the long term, continued deferred maintenance and replacement will affect the Corporation's ability to provide safe and efficient service to users and the structural integrity of the locks could be affected. "This would result in the shutdown of the entire international system." Now, therefore, be it

Resolved by the Great Lakes Commission: The Commission supports introduction of legislation in Congress which amends the Seaway Act as follows:

1. Establishes a St. Lawrence Seaway Development Administration within the Department of Transportation.

2. Assigns the St. Lawrence Seaway Development Administration responsibility for operation and maintenance of the locks and channels under U.S. authority on the St. Lawrence River, for accepting appropriations for the purposes of planning, operating, maintaining, rehabilitating and improving those works and for conducting plans and studies for future improvements and to identify funding requirements.

3. Prohibits the St. Lawrence Seaway Development Administration from establishing or collecting tolls or any type of charges on vessels or cargoes transiting the locks and channels under the authority of the United States on the St. Lawrence River.

4. Requires that the Secretary of State, in consultation with the Secretary of Transportation, initiate discussions with the Government of Canada with the objective of eliminating all tolls on the St. Lawrence Seaway.

5. Authorizes Congress to appropriate such sums as may be necessary to carry out the provisions of the Act.

6. Terminates the Act of May 13, 1954.

Recommended for adoption by the Subcommittee on Great Lakes/Seaway & Related Transportation, May 25, 1983.

Recommended for adoption by the Transportation & Economic Development Committee, May 26, 1983.

Adopted by the Great Lakes Commission, May 26, 1983.

ADDITIONAL COSPONSORS

S. 430

At the request of Mr. TSONGAS, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 430, a bill to prohibit employment discrimination on the basis of sexual orientation.

S. 593

At the request of Mr. INOUYE, the name of the Senator from South Dakota (Mr. ABDNOR) was added as a cosponsor of S. 593, a bill to amend the Federal Meat Inspection Act and the Poultry Products Inspection Act to permit distribution of certain State-inspected meat and poultry products, and for other purposes.

S. 702

At the request of Mr. DANFORTH, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 702, a bill to correct any misinterpretion in the classification of textile fabrics, articles, and materials, coated, filled, or laminated with rubber or plastics.

S. 764

At the request of Mr. WARNER, the name of the Senator from Florida (Mrs. HAWKINS) was added as a cosponsor of S. 764, a bill to assure the continued protection of the traveling public in the marketing of air transportation, and for other purposes.

S. 1001

At the request of Mr. COHEN, the names of the Senator from Tennessee (Mr. SASSER), and the Senator from New Mexico (Mr. BINGAMAN) were added as cosponsors of S. 1001, a bill to authorize appropriations for the Office of Federal Procurement Policy for an additional 5 fiscal years.

S. 1145

At the request of Mr. DENTON, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 1145, a bill to recognize the organization known as the Catholic War Veterans of the United States of America, Inc.

S. 1305

At the request of Mr. PACKWOOD, the name of the Senator from New Hampshire (Mr. RUDMAN) was added as a cosponsor of S. 1305, a bill to amend the Internal Revenue Code of 1954 to extend the energy tax credit for investments in certain classes of energy property, and for other purposes.

S. 1369

At the request of Mr. DURENBERGER, the name of the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of S. 1369, a bill to amend section 170 of the Internal Revenue Code of 1954 to increase the amounts that may be deducted for maintaining exchange students as members of the taxpayer's household.

S. 1410

At the request of Mr. BENTSEN, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1410, a bill to amend the Internal Revenue Code of 1954 to exempt holdings in independent local newspapers from taxes on excess business holdings of private foundations.

S. 1570

At the request of Mr. MITCHELL, the name of the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of S. 1570, a bill to amend the Internal Revenue Code of 1954 to provide simplification in accounting rules related to inventory.

S. 1592

At the request of Mr. DOLE, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 1592, a bill to amend title XVIII of the Social Security Act to correct provisions relating to the cap for hospice care.

S. 1598

At the request of Mr. DOLE, the name of the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 1598, a bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for interest on home mortgages in cases where State or local authorities elect not to use mortgage subsidy bonds.

S. 1666

At the request of Mr. CHAFEE, the name of the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of S. 1666, a bill to amend the Internal Revenue Code of 1954 to reduce the capital gains tax rates for individuals who hold new issues of stock at least 5 years.

S. 1676

At the request of Mr. DURENBERGER, the name of the Senator from Kansas (Mrs. KASSEBAUM), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. 1676, a bill to provide that registration and polling places for Federal elections be accessible to handicapped and elderly individuals, and for other purposes.

S. 1758

At the request of Mr. BENTSEN, the names of the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Delaware (Mr. ROTH) were added as cosponsors of S. 1758, a bill to amend the Internal Revenue Code of 1954 to provide a simplified cost recovery system based on recovery accounts, and for other purposes.

S. 1874

At the request of Mr. CRANSTON, the name of the Senator from California (Mr. WILSON) was added as a cosponsor of S. 1874, a bill to provide for the restoration of the fish and wildlife in the Trinity River Basin, Calif., and for other purposes.

S. 1888

At the request of Mr. HELMS, the name of the Senator from North Carolina (Mr. EAST) was added as a cosponsor of S. 1888, a bill to amend title II of the Social Security Act to provide for due process requirements for the termination of disability benefits.

S. 1924

At the request of Mr. GRASSLEY, the name of the Senator from Alabama (Mr. DENTON) was added as a cosponsor of S. 1924, a bill to create a central Federal file of sexual assault and child molesting arrests and convictions to allow businesses and organizations who hire persons whose employment brings them into regular contact with children to have access to such arrest or conviction records for the purpose of determining the suitability of job applicants.

SENATE JOINT RESOLUTION 105

At the request of Mr. RUDMAN, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of Senate Joint Resolution 105, a joint resolution calling upon the Department of Justice and all other appropriate Federal agencies to enforce Federal antitrust laws including the prohibition against vertical price restraints.

SENATE JOINT RESOLUTION 112

At the request of Mr. INOUYE, the names of the Senator from Alabama (Mr. HEFLIN), the Senator from Illinois (Mr. DIXON), and the Senator from Maine (Mr. MITCHELL) were added as cosponsors of Senate Joint Resolution 112, a joint resolution to proclaim the month of March 1984 as "National Social Work Month."

SENATE JOINT RESOLUTION 113

At the request of Mr. WILSON, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of Senate Joint Resolution 113, a joint resolution to provide for the designation of the week beginning June 3 through June 9, 1984, as "National Theatre Week."

SENATE JOINT RESOLUTION 138

At the request of Mr. ZORINSKY, the name of the Senator from Illinois (Mr. DIXON), was added as a cosponsor of Senate Joint Resolution 138, a joint resolution to establish a Commission on Teacher Education.

SENATE JOINT RESOLUTION 153

At the request of Mr. MOYNIHAN, the name of the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of Senate Joint Resolution 153, a joint resolution to congratulate the people of the County of New York on the occasion of the tricentennial of the founding of the County of New York.

SENATE JOINT RESOLUTION 155

At the request of Mr. WILSON, the name of the Senator from Georgia (Mr. NUNN) was added as a cosponsor of Senate Joint Resolution 155, a joint resolution designating the week beginning November 6, 1983, as "National Disabled Veterans' Week."

SENATE JOINT RESOLUTION 160

At the request of Mr. BYRD, the names of the Senator from North Dakota (Mr. BURDICK), the Senator from Kansas (Mr. DOLE), and the Senator from Idaho (Mr. MCCLURE) were added as cosponsors of Senate Joint Resolution 160, a joint resolution to designate the week of October 17, 1983, through October 24, 1983, as "National Adult Continuing Education Week."

SENATE CONCURRENT RESOLUTION 70

At the request of Mr. DOMENICI, the names of the Senator from New York (Mr. MOYNIHAN), the Senator from Indiana (Mr. LUGAR), the Senator from Minnesota (Mr. DURENBERGER), the Senator from South Dakota (Mr. PRESSLER), the Senator from Oregon (Mr. HATFIELD), and the Senator from Utah (Mr. GARN) were added as cosponsors of Senate Concurrent Resolution 70, a concurrent resolution expressing the sense of the Congress regarding actions the President should take to commemorate the anniversary of the Ukrainian famine of 1932-33.

SENATE CONCURRENT RESOLUTION 72

At the request of Mr. MOYNIHAN, the names of the Senator from Ohio (Mr. GLENN), and the Senator from Colorado (Mr. HART) were added as cosponsors of Senate Concurrent Resolution 72, a concurrent resolution calling on the President to appoint a special envoy for Northern Ireland.

SENATE RESOLUTION 233

At the request of Mr. DIXON, the names of the Senator from Michigan (Mr. RIEGLE), and the Senator from Wisconsin (Mr. KASTEN) were added as cosponsors of Senate Resolution 233, a resolution to express the sense of the Senate concerning the adverse effect on U.S. agricultural exports of proposals to modify the Common Agricultural Policy of the European Community.

AMENDMENT NO. 2293

At the request of Mr. MOYNIHAN, the name of the Senator from Florida (Mrs. HAWKINS) was added as a cosponsor of amendment No. 2293 proposed to S. 1529, an original bill to stabilize a temporary imbalance in the supply and demand for dairy products, to enable milk producers to establish, finance, and carry out a coordinated program of dairy product promotion, to adjust the support levels for the 1983 and subsequent crops of tobacco, to make modifications in the tobacco production adjustment program, and for other purposes.

At the request of Mr. MOYNIHAN, the name of the Senator from Washington (Mr. EVANS) was withdrawn as a cosponsor of amendment No. 2293 proposed to S. 1529, supra.

SENATE CONCURRENT RESOLUTION 74—URGING SUPPORT FOR THE PEOPLE OF AFGHANISTAN IN THEIR STRUGGLE FOR FREEDOM

Mr. TSONGAS (for himself, Mr. ABDNOR, Mr. ANDREWS, Mr. ARMSTRONG, Mr. BENTSEN, Mr. BINGAMAN, Mr. BOSCHWITZ, Mr. BRADLEY, Mr. BUMPERS, Mr. BYRD, Mr. CHILES, Mr. COCHRAN, Mr. COHEN, Mr. D'AMATO, Mr. DECONCINI, Mr. DIXON, Mr. DOLE, Mr. DURENBERGER, Mr. EAGLETON, Mr. EXON, Mr. FORD, Mr. GARN, Mr. GLENN, Mr. GRASSLEY, Mr. HART, Mr. HATCH, Mr. HEINZ, Mr. HUDDLESTON, Ms. KASSEBAUM, Mr. KENNEDY, Mr. LAXALT, Mr. LEVIN, Mr. LUGAR, Mr. MATTINGLY, Mr. MELCHER, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. NICKLES, Mr. PELL, Mr. PRESSLER, Mr. PROXMIRE, Mr. PRYOR, Mr. QUAYLE, Mr. RANDOLPH, Mr. RIEGLE, Mr. RUDMAN, Mr. SARBANES, Mr. SASSER, Mr. SIMPSON, Mr. SPECTER, Mr. STENNIS, Mr. WARNER, Mr. WILSON, Mr. ZORINSKY, Mr. HOLLINGS, Mr. PERCY, and Mr. JEPSEN) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 74

Whereas the freedom fighters of Afghanistan have withstood the might of the Soviet Army for over three and a half years and gained the admiration of free men and women the world over with their courageous sacrifice, bravery and determination;

Whereas the Soviet invasion of Afghanistan is the first Soviet seizure of independent territory since the 1940's and represents a dangerous and unacceptable development in Soviet foreign policy;

Whereas the struggle for liberation in Afghanistan can succeed if those of us who believe in freedom come to its support;

Whereas the European Parliament, the Non-Aligned Movement, the United Nations, the Conference of Islamic Nations, the Association of Southeast Asian Nations, and the United States Congress have all codemned Soviet invasion and occupation of Afghanistan;

Whereas the Soviet airbases in southwest Afghanistan present an unacceptable threat to the Hormuz oil passage lanes which are so vital to the free world's economies;

Whereas many individuals and private organizations all over the world have already sent substantial aid to the Afghan freedom fighters;

Whereas it would be indefensible to provide the freedom fighters with only enough aid to fight and die but not enough to advance their cause of freedom: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it should be the policy of the United States:

(1) to encourage and support the people of Afghanistan in their struggle to be free from foreign domination;

(2) to provide the people of Afghanistan, if they so request, with material assistance, as the U.S. considers appropriate, to help them fight effectively for their freedom;

(3) to pursue a negotiated settlement of the war in Afghanistan, based on the total withdrawal of Soviet troops and the recognition of the inalienable right of the Afghan people to choose their own destiny free from outside interference or coercion, so that the four million Afghan refugees can return to their country in safety and in honor.

Mr. TSONGAS. Mr. President, I am very proud indeed to submit today a concurrent resolution calling upon the U.S. Government to encourage and support the Afghan freedom fighers. I am pleased to welcome 56 of my colleagues as cosponsors.

It has been over 3½ years since the Soviet Union invaded Afghanistan and began their bloody, ruthless occupation of the Afghan nation.

The stark facts of this brutal episode are not in question. During the second half of 1979, Moscow became uneasy about the deteriorating situation surrounding the pro-Soviet government in Kabul. Faced with the threat of losing control of the situation altogether, Moscow decided on armed intervention to install a new pro-Moscow leader. The invasion took place during the Christmas holidays in 1979. The Soviet invasion and occupation by over 100,000 troops has been harsh and unrelenting. Hiding behind a relative news blackout, the Soviet military has unleased deliberate attacks on the civilian population to discourage any support for the Mujahideen freedom fighters. The result—tens of thousands of casualties and 3 million people have left the country as refugees.

The Afghan primary industry—agriculture—has been severely disrupted. A large number of farmers have either fled to Pakistan or Iran or are being conscripted into the army. Gasoline and fertilizer are spiraling in cost or unavailable. The country's irrigation system is in a state of collapse. These factors among others have led to a drop of 80 percent in agricultural output over the last 3 years and a reduction in the amount of available land actually put to use—from 46 percent in 1978 to 16 percent in 1982. The Soviets routinely destroy field crops to deny their use by the freedom fighters.

In other areas of the economy, the Soviets are attempting to integrate Afghanistan economically with the Soviet bloc. In return for imported Soviet goods, the Afghans export 95 percent of their natural gas to the U.S.S.R. at bargain prices. The revenue for the sale is reportedly used by the Afghan regime to pay interest payments on their outstanding Soviet debt.

The "Sovietization" of Afghanistan and the war itself continue. The U.N. sponsored talks in Geneva have not

achieved concrete results. The resistance is not directly represented. The talks are a sincere effort, but it is clear that their prospects for success are not good. The Soviets are not yet convinced that they should negotiate their withdrawal from Afghanistan.

The Soviets have weathered protests, grain embargos, economic sanctions, and Olympic game boycotts. They have taken heavy casualties in Afghanistan. They remain in Afghanistan because they believe that ultimately they will achieve their goal of consolidating Afghanistan as a Soviet dependency.

Their opponents, the Mujahideen, are extraordinary in their bravery, resourcefulness and unbreakable morale. In the face of superior airpower, weaponry, and numbers of troops the freedom fighters have fought the Soviets to a draw. Their struggle to be free from foreign domination is a timeless and universal theme. It transcends the ideological differences between East and West. We cannot let this war fade into obscurity because it is far away. The Mujahideen need to know that the U.S. Congress has not forgotten their struggle, that their pursuit of freedom is admired and supported by the United States.

Mr. President, the Afghan resistance is a genuine expression of the independence and dignity of the Afghan people. Their struggle to liberate their country from a foreign invader deserves the attention and support of us all.

The resolution is a nonbinding statement of congressional concern with three objectives: First, to inform the resistance that the U.S. Congress has not forgotten them; second, to encourage urgent negotiations seeking the withdrawal of Soviet troops, the return of Afghan refugees in peace to their homeland, and the self-determination of the Afghan people; and third, to state clearly that Congress supports sending material assistance to the freedom fighters.

In a March 21, 1983 message from the President, titled "Afghanistan Day 1983", Mr. Reagan stated:

> To the Afghan people, I say on behalf of all Americans, that we admire your heroism, your devotion to freedom and your relentless struggle against your oppressors.

I concur. I venture to say that most of my colleagues concur.

This resolution is the product of a joint effort with various groups and individuals in the United States committed to a free Afghanistan. I am hopeful that the Senate will join them and approve this resolution.

SENATE CONCURRENT RESOLUTION 76—CONGRATULATING LECH WALESA ON WINNING THE 1983 NOBEL PEACE PRIZE

Mr. DODD (for himself, Mr. PERCY, Mr. PELL, and Mr. KENNEDY) submitted the following concurrent resolution; which was placed on the calendar:

S. CON. RES. 76

Whereas a secure and universal peace is a major objective of people of good will throughout the world;

Whereas one of the necessary conditions of achieving such peace is universal respect for and realization of internationally recognized human rights and fundamental freedoms;

Whereas article 23 of the Universal Declaration of Human Rights establishes the right of every individual to work, to free choice of employment, to just and favorable conditions of work, and to form and to join trade unions for the protection of the interests of such individual;

Whereas the right to form and to join trade unions for the protection of the interest of the individual is a right guaranteed by the Helsinki Final Act, of which Poland is a signatory;

Whereas the independent Polish trade union Solidarity has for three years represented the interests of the Polish working class in a cooperative, moderate and conciliatory fashion;

Whereas the trade union Solidarity preserved peaceful methods and intentions even in the face of persecution, imprisonment of union leaders, and government violence against the union;

Whereas the founder and elected leader of Solidarity, Lech Walesa, has had a fundamental role in establishing and leading Solidarity as a labor organization working for peaceful goals by peaceful means; and

Whereas Lech Walesa has been awarded the 1983 Nobel Peace Prize in recognition for inspiring all peace-loving people by attempting to solve the labor problems of Poland through negotiations and cooperation, and suffering imprisonment and unjust vilification as a result of these actions: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States of America—

(1) congratulates Lech Walesa as the recipient of the 1983 Nobel Peace Prize and commends the Norwegian Nobel Committee on this outstanding choice,

(2) requests the Government of Poland to facilitate the personal attendance at the award ceremony and to guarantee the safe return to Poland of Lech Walesa, and

(3) calls upon all peace-loving nations to continue to support the cause of free trade unions everywhere, to promote internationally recognized human rights and fundamental freedoms, and to help establish on the basis of freedom and mutual trust a secure and universal peace.

Mr. DODD. Mr. President, I send a resolution to the desk and ask unanimous consent that it be placed on the calendar.

Mr. BAKER. Mr. President, the request has been cleared on this side. The request, as I understand it, is that the resolution be placed on the calendar. There is no objection on this side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DODD. Mr. President, I am pleased to submit a concurrent resolution with the distinguished chairman of the Foreign Relations Committee, Mr. PERCY and the distinguished ranking minority member, Mr. PELL, and Senator KENNEDY to congratulate Lech Walesa, the remarkable Polish labor leader for being the recipient of the 1983 Nobel Peace Prize.

This resolution acknowledges the contributions of Mr. Walesa to the cause of free trade unions and free and fair labor relations which form a very important part of internationally recognized human rights. Respect for and implementation of such rights is, of course, one of the most important conditions of international peace, and the resolution commends the Norwegian Nobel Committee for this profound realization that was manifestd in their decision.

The resolution also requests the Polish Government to let Lech Walesa travel to Oslo to attend the award ceremony in person, and, even more importantly, to allow him to return to Poland.

Finally, the resolution calls upon the peace-loving nations to continue to work for the freedom of labor, for human rights and for universal peace, following the example of Lech Walesa.

Mr. President, yesterday I saluted Lech Walesa on this floor and recalled the unforgettable evening I spent with him last August in Gdansk in friendly discussion. He is not only an extraordinarily warm, friendly, open human being but a genuine hero of our age, a real inspiration for the oppressed of the world.

I urge my colleagues to join Senators PERCY, PELL, KENNEDY, and myself in paying tribute to this modern hero of labor, human rights and the cause of peace.

SENATE RESOLUTION 239—RELATING TO EXPENDITURES BY THE SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. ANDREWS submitted the following resolution; which was referred to the Select Committee on Indian Affairs:

S. RES. 239

Resolved, That Senate Resolution 76, section 21, paragraph (A) 98th Congress, be amended by striking out "January 2, 1984" and inserting in lieu thereof "February 29, 1984"; and be it further

Resolved, That Senate Resolution 76, section 21, paragraph (B) 98th Congress, as amended by Senate Resolution 111, 98th Congress, be amended by striking out "$620,990" and inserting in lieu thereof, "$745,188".

AMENDMENTS SUBMITTED

DAIRY AND TOBACCO PRICE SUPPORTS

PRESSLER AMENDMENT NO. 2294

Mr. PRESSLER proposed an amendment to the bill (S. 1529) to stabilize a temporary imbalance in the supply and demand for dairy products, to enable milk producers to establish, finance, and carry out a coordinated program of dairy product promotion, to adjust the support levels for the 1983 and subsequent crops of tobacco, to make modifications in the tobacco production adjustment program, and for other purposes; as follows:

On page 19, line 14, insert "(1)" after "on".

On page 19, line 18, insert after "productivity" the following: "and (2) the feasibility of imposing a limitation of the total amount of payments and other assistance a producer of milk may receive during a year under section 201 (d) of the Agricultural Act of 1949 (7 U.S.C. 1446 (d))".

HAWKINS AMENDMENT NO. 2295

Mrs. HAWKINS (for herself, Mr. WILSON, and Mr. MOYNIHAN) proposed an amendment to the bill S. 1529, supra; as follows:

On page 2, beginning on line 8, strike out all that follows through line 9 on page 19 and insert in lieu thereof the following new section:

DAIRY PRODUCTION STABILIZATION

SEC. 102. Subsection (d) of section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446 (d)) is amended to read as follows:

"(d) Notwithstanding any other provision of law—

"(1) Effective for the period beginning on November 1, 1983, and ending February 28, 1985, the price of milk shall be supported at not less than $12.10 per hundredweight of milk containing 3.67 per centum milkfat.

"(2) The price of milk shall be supported through the purchase of milk and the products of milk.".

On page 38, line 22, insert "and" after the semicolon.

On page 38, beginning on line 23, strike out all that follows through line 2 on page 39.

On page 39, line 3, strike out "(3)" and insert in lieu thereof "(2)".

JEPSEN (AND OTHERS) AMENDMENT NO. 2296

Mr. JEPSEN (for himself, Mr. TOWER, Mr. EAGLETON, Mr. ZORINSKY, Mr. GRASSLEY, Mr. THURMOND, Mr. DIXON, Mr. BOREN, Mr. HEFLIN, Mr. BOSCHWITZ, Mr. BENTSEN, and Mr. COCHRAN) proposed an amendment to the bill S. 1529, supra; as follows:

On page 6, line 2, insert immediately after the period the following new sentence "In setting the terms and conditions of such contracts, the Secretary shall take into account any adverse impact of the reductions in milk production on beef and pork producers in the United States and shall take all feasible steps to minimize such impact.".

On page 11, lines 24 and 25, strike out "required by the contract." and insert in lieu thereof "as specified by the Secretary for each quarter in the contract: *Provided*, That the aggregate quantity of such reductions for the entire diversion period must be at least equal to the total reduction required by the contract.".

METZENBAUM (AND OTHERS) AMENDMENT NO. 2297

Mr. METZENBAUM (for himself, Mr. GARN, Mr. ROTH, Mr. STAFFORD, Mr. PERCY, Mr. TSONGAS, Mr. PELL, Mr. HEINZ, Mr. PROXMIRE, Mr. HATCH, Mr. DANFORTH, Mr. MITCHELL, Mr. GORTON, and Mr. MOYNIHAN) proposed an amendment to the bill S. 1529, supra; as follows:

On page 40, beginning with line 19, strike out through the end of the bill and insert the following:

REPEAL OF PROVISIONS OF LAW CONCERNING PRICE SUPPORT FOR TOBACCO

SEC. 201 (a)(1) Section 101(a) of the Agricultural Act of 1949 (7 U.S.C. 1441(a)) is amended by striking out "tobacco (except as otherwise provided herein), corn" and inserting in lieu thereof "corn".

(2) Section 101(c) of such Act (7 U.S.C. 1441(c)) is repealed.

(3) Section 101(d)(3) of such Act (7 U.S.C. 1441(d)(3)) is amended—

(A) by striking out ", except tobacco,", and

(B) by striking out "and no price support shall be made available for any crop of tobacco for which marketing quotas have been disapproved by producers.".

(b) Sections 106, 106A, and 106B of the Agricultural Act of 1949 (7 U.S.C. 1445, 1445-1, 1445-2) are repealed.

(c) Section 408(c) of the Agricultural Act of 1949 (7 U.S.C. 1428(c)) is amended by striking out "tobacco,".

REPEAL OF PROVISIONS OF LAW CONCERNING TOBACCO ACREAGE ALLOTMENTS AND MARKETING QUOTAS

SEC. 202. (a) Section 2 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1282) is amended by striking out "tobacco.".

(b) Section 301(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)) is amended—

(1) in paragraph (3) by striking out subparagraph (C),

(2) in paragraph (6)(A) by striking out "tobacco,",

(3) in paragraph (7) by striking out—

"Tobacco (flue-cured), July 1-June 30;

"Tobacco (other than flue-cured), October 1-September 30;",

(4) in paragraph (10 by striking out subparagraph (B),

(5) in paragraph (11)(B) by striking out "and tobacco",

(6) in paragraph (12) by striking out "tobacco,",

(7) in paragraph (14)—

(A) by striking out "(A)", and

(B) by striking out subparagraph (B),

(8) by striking out paragraph (15), and

(9) in paragraph (16) by striking out subparagraph (B).

(c) Section 303 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1303) is amended by striking out "rice, or tobacco," and inserting in lieu thereof "or rice,".

(d) Part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.) is repealed.

(e) Section 361 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1361) is amended by striking out "tobacco,".

(f)(1) Section 371(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371(a)) is amended by striking out "peanuts, or tobacco" and inserting in lieu thereof "or peanuts".

(2) Section 371(b) of such Act (7 U.S.C. 1371(b)) is amended by striking out "peanuts, or tobacco" and inserting in lieu thereof "or peanuts".

(g)(1) Section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended—

(A) in the first sentence—

(i) by striking out "peanuts, or tobacco, and" and inserting in lieu thereof "or peanuts, and",

(ii) by striking out "peanuts, or tobacco from" and inserting in lieu thereof "or peanuts from", and

(iii) by striking out "all persons engaged in the business of redrying, prizing, or stemming tobacco for producers,", and

(B) in the last sentence by striking out "$500;"

and all that follows through the end thereof and inserting in lieu thereof "$500.".

(2) Section 373(b) of such Act (7 U.S.C. 1373(b)) is amended by striking out "peanuts, or tobacco" and inserting in lieu thereof "or peanuts".

(h) Section 375(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1375(a)) is amended by striking out "peanuts, or tobacco" and inserting in lieu thereof "or peanuts".

(i) Section 378(f) of the Agricultural Adjustment Act of 1983 (7 U.S.C. 1378(f)) is repealed.

(j) The Act entitled "An Act relating to burley tobacco farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended", approved July 12, 1952 (7 U.S.C. 1315), is repealed.

(k) Section 4 of the Act entitled "An Act to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes", approved April 16, 1965 (7 U.S.C. 1314c note), is repealed.

(l) Section 703 of the Food and Agriculture Act of 1965 (7 U.S.C. 1316) is repealed.

EXCLUSION OF TOBACCO FROM CONCESSSIONAL EXPORT SALES PROVISIONS OF PUBLIC LAW 480

SEC. 203. The proviso to the first sentence of section 402, of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732) is amended by striking out ", and for the purposes of title II of this Act," and inserting in lieu thereof "or".

PROHIBITION AGAINST COMMODITY CREDIT CORPORATION USING POWERS WITH RESPECT TO TOBACCO

SEC. 204. Section 5 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c) is amended by adding at the end the following new undesignated paragraph:

"Notwithstanding any other provision of law, the Corporation may not exercise any of the powers specified in this section or in any other provision of this Act with respect to tobacco.".

PROHIBITION AGAINST TOBACCO MARKETING ORDERS

SEC. 205. Section 8c(2) of the Agricultural Adjustment Act (7 U.S.C. 608c(2)), reenacted with amendments by the Agricultural

Marketing Agreement Act of 1937, is amended—

(1) by striking out "tobacco,",

(2) by inserting "tobacco," after "(B) any agricultural commodity (except honey,", and

(3) by adding at the end the following new sentence: "Notwithstanding any other provision of law, no order concerning tobacco may be issued or enforced under this Act.".

WITHDRAWAL OF CONSENT RELATING TO COMPACTS AMONG STATES FOR REGULATING TOBACCO PRODUCTION AND COMMERCE

SEC. 206. (a) The Act entitled "An Act relating to compacts and agreements among States in which tobacco is produced providing for the control of production of, or commerce in, tobacco in such States, and for other purposes", approved April 25, 1936 (7 U.S.C. 515 et seq.), commonly known as the Tobacco Control Act, is repealed.

(b) The Congress hereby withdraws its consent to any compact or agreement entered into under the Act referred to in subsection (a).

PAYMENTS TO CERTAIN LOW INCOME OWNERS OF FARMS WITH TERMINATED TOBACCO ALLOTMENTS AND QUOTAS

SEC. 207. (a)(1) Each individual who—

(A) throughout the period beginning on March 8, 1983, and ending on the effective date of this section, owned all or part of a farm with respect to which a tobacco acreage allotment or marketing quota was established or assigned under part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.),

(B) had a modified adjusted gross income of not over $24,000 for the taxable year ending in 1982,

(C) Not later than December 31, 1984, files an application in such manner and in such form as the Secretary may require by rule, shall be entitled to receive payments from the Secretary in accordance with this subsection.

(2)(A) Subject to paragraph (7), the aggregate amount of payments which such individual shall be entitled to receive under paragraph (1) shall be equal to the product of—

(i) the percentage of the proceeds of sale such individual would have been entitled to receive if such allotment or quota had been sold on March 8, 1983, and

(ii) the product of the fair market value of such allotment or quota and the modified adjusted gross income percentage as determined under subparagraph (B), by the percentage obtained by multiplying—

(B) The modified adjusted gross income percentage referred to in subparagraph (A)(ii) with respect to any individual entitled to any payment under paragraph (1) is the percentage which corresponds to the modified adjusted gross income of such individual in the following table:

If the amount of such modified adjusted gross income is:	The modified adjusted gross income percentage is:
Not over $15,000	100 percent
Over $15,000 but not over $16,000	90 percent
Over $16,000 but not over $17,000	80 percent
Over $17,000 but not over $18,000	70 percent
Over $18,000 but not over $19,000	60 percent
Over $19,000 but not over $20,000	50 percent
Over $20,000 but not over $21,000	40 percent
Over $21,000 but not over $22,000	30 percent
Over $22,000 but not over $23,000	20 percent
Over $23,000 but not over $24,000	10 percent
Over $24,000	0 percent

(3) For purposes of paragraph (2), the fair market value of such allotment or quota shall be the fair market value of such allotment or quota on March 8, 1983, as determined by the Secretary. In making such determination, the Secretary shall consider studies relating to the value of tobacco acreage allotments and marketing quotas established under part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 which have been conducted by universities, colleges, and other persons.

(4)(A) For purposes of paragraph (1)(B) and paragraph (2), the modified adjusted gross income of any individual entitled to payment under paragraph (1) for the taxable year ending in 1982 shall be the adjusted gross income of such individual for such taxable year—

(i) determined under section 62 of the Internal Revenue Code of 1954 without regard to the deductions from gross income otherwise allowable under such Code for such taxable year pursuant to—

(I) paragraph (7) of such section (relating to profit-sharing, annuities, and bond purchase plans of self-employed individuals),

(II) paragraph (10) of such section (relating to retirement savings), and

(III) paragraph (14) of such section (relating to reforestation expenses),

(ii) increased by—

(I) the amount of any interest and dividends not included in gross income for purposes of the tax imposed by chapter 1 of such Code for such taxable year,

(II) an amount equal to the sum of any items of tax preference described in section 57 of such Code (other than paragraph (9) thereof) applicable to such individual for such taxable year, and

(iii) decreased by fifty percent of any amount of rent received in such taxable year in connection with the lease of any such allotment or quota.

(B) In the case of an individual who filed a joint return (within the meaning of section 6013 of the Internal Revenue Code of 1954) for such taxable year, adjusted gross income under subparagraph (A) shall be the adjusted gross income of such individual and such individual's spouse for such taxable year.

(C) In the case of an individual who has not attained age 18 (or, in the case of a student, has not attained age 22), adjusted gross income for purposes of determining modified adjusted gross income under subparagraph (A) shall be the adjusted gross income of such individual and any other person who was allowed a deduction with respect to such individual for such taxable year under section 151 of the Internal Revenue Code of 1954 (relating to deductions for personal exemptions).

(5) For purposes of paragraph (1)(A), an acreage allotment or marketing quota which is—

(A) established or assigned to a farm under such part and,

(B) transferred to another farm (other than after a sale of such allotment or quota),

shall not be considered established or assigned with respect to the farm to which such allotment or quota was so transferred.

(6) The Secretary shall make payments to which individuals are entitled under this subsection from the revolving fund established under subsection (b)—

(A) as soon as amounts are received in such fund, and

(B) in as equitable, efficient, and expeditious a manner as is practicable,

except that no individual shall be entitled to a payment under this subsection prior to October 1, 1984.

(7) Notwithstanding any other provision of this subsection, no payment under this subsection to any individual shall exceed an amount which is equal to the product of—

(A) 5, and

(B) $24,000 minus so much of the modified adjusted gross income of such individual as does not exceed $24,000.

(b)(1)(A) All payments made under subsection (a) shall be made from amounts received by the Secretary as assessments under this subsection and deposited in the revolving fund established pursuant to subsection (b).

(B) There is established a revolving fund for tobacco assessments. There shall be credited to the fund all amounts received by the Secretary pursuant to this subsection. Amounts deposited in the fund are appropriated to the Secretary for fiscal year 1984 and the succeeding fiscal years for the purposes of making payments under subsection (a). Such amounts shall be available without fiscal year limitation.

(2) For purposes of carrying out paragraph (1), the Secretary shall establish and impose assessments applicable to the marketing of all tobacco produced in the United States. Such assessments shall not apply with respect to tobacco of crops before the 1984 crop of tobacco. The rates of such assessments—

(A) shall generate, as soon as practicable, amounts sufficient to make such payments,

(B) shall not exceed 20 cents per pound,

(C) shall be uniform for all kinds of tobacco,

(D) shall be uniform for a particular crop of tobacco, and

(E) shall be as uniform as practicable for all crops of tobacco with respect to which such assessments are imposed.

(3) Any person who produces tobacco with respect to which such assessments are imposed shall be liable for such assessments.

(4)(A) Except as provided in subparagraph (B), assessments imposed with respect to tobacco and owed under paragraph (3) by the producer of such tobacco shall be collected from any person to whom such producer markets such tobacco.

(B)(i) If tobacco with respect to which assessments are owed under paragraph (3) is marketed through a warehouseman or other agent, then such assessments shall be collected from such warehouseman or agent.

(ii) If tobacco with respect to which assessments are owed under paragraph (3) is marketed directly by the producer of such tobacco to any person outside of the United States, then such assessments shall be collected from such producer.

(5) Persons required to collect assessments under paragraph (4) shall—

(A) remit such assessments to the Secretary at such time and in such manner as the Secretary may require by rule, and

(B) maintain, and make available for inspection by the Secretary, such records as

the Secretary may require, by rule, in order to ensure an accurate accounting of the collection and remittance of such assessments.

(6)(A) Any person who fails to pay, collect, or remit any assessment owed under paragraph (3) or payable under paragraph (4) and paragraph (5) may be assessed a civil penalty by the Secretary equal to the product of three and the amount of such assessment. No civil penalty may be so assessed unless such person is given notice of, and opportunity for an agency hearing on the record with respect to, such violation.

(B) Any person against whom a civil penalty is assessed under subparagraph (A) may obtain review of such penalty in an appropriate district court of the United States by filing a civil action in such court not later than 30 days after such penalty is imposed. The findings of the Secretary shall be set aside only if found to be unsupported by substantial evidence.

(C) The district courts of the United States shall have jurisdiction to review and enforce any civil penalty imposed under subparagraph (A).

(c) For purposes of this section—

(1) the term "Secretary" means the Secretary of Agriculture,

(2) the term "person" shall have the meaning given to such term by section 1 of title 1, United States Code,

(3) the term "tobacco" means all the kinds of tobacco listed in section 301(b)(15) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)(15)),

(4) the term "to market" means to sell or exchange in a commercial market,

(5) the term "United States", when used in a geographical sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the territories and possessions of the United States, and

(6) the term "student" means any individual who during each of 5 months of calendar year 1983—

(A) was a full-time student at an educational organization described in section 170(b)(1)(A)(ii) of the Internal Revenue Code of 1954, or

(B) was pursuing a full-time course of institutional on-farm training under the supervision of an accredited agent of an educational organization described in such section 170(b)(1)(A)(ii) of such Code or of a State or political subdivision of a State.

EFFECTIVE DATES; SCOPE OF APPLICATION

SEC. 208. (a)(1) Except as provided in paragraphs (2) and (3), this title shall take effect on the date of the enactment of this Act.

(2) Section 206 and the amendment made by section 206 shall take effect January 1, 1984.

(3) Section 207 shall take effect October 1, 1983.

(b) The amendments made by sections 201 through 205 of this Act to any other provision of law shall not apply with respect to crops of tobacco before the 1984 crop of tobacco and shall not affect the authority of the Secretary of Agriculture under any such provision, or the force and effect of any requirement of, or any regulation or agreement under or pursuant to, any such provision, on and after the date of the enactment of this Act to the extend such provision applies to crops of tobacco before the 1984 crop year.

(c) The Agriculture Department shall provide all necessary technical assistance to tobacco farmers through fiscal year 1986 to provide, to the extent possible, a transition period for said farmers following the termination of the tobacco support program.

IMPORTED TOBACCO

SEC. 209. (a)(1) Notwithstanding any other provision of law, all tobacco offered for importation into the United States shall be—

(A) inspected for grade and quality as tobacco marketed through a warehouse in the United States is inspected for grade and quality; and

(B) accompanied by a written certification by the importer, in such form as the Secretary of Agriculture may prescribe, that none of the pesticides the registration of which has been cancelled or suspended for use on tobacco in the United States under the Federal Insecticide, Fungicide, and Rodenticide Act, has been used in the production of the tobacco offered for importation into the United States.

(2) The Secretary of Agriculture shall establish grade and quality standards for the purposes of paragraph (1)(A) that are, insofar as practicable, the same as those applicable to tobacco marketed through a warehouse in the United States.

(3) Any tobacco that is not accompanied by the certification required by paragraph (1)(B) shall not be permitted entry into the United States. The provisions of section 1001 of title 18, United States Code, shall be applicable with respect to any such certification made by an importer under such paragraph.

(b) The Secretary shall enforce the provisions of subsection (a) at the point of entry of tobacco offered for importation into the United States. The Secretary shall by regulation fix and collect from the importer fees and charges for inspection under subsection (a)(1) which shall, as nearly as practicable, cover the costs of such services, including the administrative and supervisory costs customarily included by the Secretary in user fee calculations. "The fees and charges, when collected, shall be credited to the current appropriation account that incurs the cost and shall be available without fiscal year limitation to pay the expenses of the Secretary incident to providing services under subsection (a)(1)."

Amend the title so as to read: "A bill to stabilize a temporary imbalance in the supply and demand for dairy products, to enable milk producers to establish, finance, and carry out a coordinated program of dairy product promotion, to repeal provisons of law concerning price support for tobacco, and for other purposes.".

MATTINGLY AMENDMENT NO. 2298

Mr. MATTINGLY proposed an amendment to the bill S. 1529, supra; as follows:

On page 45, line 9, strike out "1989" and insert in lieu thereof "1986".

On page 45, lines 17 and 18, strike out "for the 1984 through 1986 crops of such tobacco".

On page 46, line 5, delete the colon and all that follows through "pounds" on line 10 and insert in lieu thereof". The Secretary shall promulgate rules which establish a similar requirement for Fall payment of any rental of Flue-cured tobacco allotment acreage and quota, and further shall require that any seller of a Flue-cured tobacco allotment and quota grant to the buyer on option to make payment therefor in equal annual installments payable each Fall for a period not to exceed five years from the year in which the sale is made."

On page 46, line 10, strike out "1990" and insert in lieu thereof "1987".

On page 48, strike out line 21 and all that follows through line 25.

On page 49, line 1, strike out "(c)" and insert in lieu thereof "(b)" and strike out "1990" and insert in lieu thereof "1987".

On page 49, line 3, strike out "subsections (a) and (b)" and insert in lieu thereof "subsection (a)".

METZENBAUM AMENDMENT NO. 2299

Mr. METZENBAUM proposed an amendment to the bill S. 1529, supra; as follows:

On page 53, following line 15, insert the following:

IMPORTED TOBACCO

SEC. 216(a)(1) Notwithstanding any other provision of law, all tobacco offered for importation into the United States shall be—

(A) inspected for grade and quality as tobacco marketed through a warehouse in the United States is inspected for grade and quality; and

(B) accompanied by a written certification by the importer, in such form as the Secretary of Agriculture may prescribe, that none of the pesticides the registration of which has been cancelled or suspended for use on tobacco in the United States under the Federal Insecticide, Fungicide, and Rodenticide Act, has been used in the production of the tobacco offered for importation into the United States.

(2) The Secretary of Agriculture shall establish grade and quality standards for the purposes of paragraph (1)(A) that are, insofar as practicable, the same as those applicable to tobacco marketed through a warehouse in the United States.

(3) Any tobacco that is not accompanied by the certification required by paragraph (1)(B) shall not be permitted entry into the United States. The provisions of section 1001 of title 18, United States Code, shall be applicable with respect to any such certification made by an importer under such paragraph.

(b) The Secretary shall enforce the provisions of subsection (a) at the point of entry of tobacco offered for importation into the United States. The Secretary shall by regulation fix and collect from the importer fees and charges for inspection under subsection (a)(1) which shall, as nearly as practicable, cover the costs of such services, including the administrative and supervisory costs customarily included by the Secretary in user fee calculations. The Fees and charges, when collected, shall be credited to the current appropriation account that incurs the cost and shall be available without fiscal year limitation to pay the expenses of the Secretary incident to providing services under subsection (a)(1).

BENTSEN (AND OTHERS) AMENDMENT NO. 2300

Mr. BENTSEN (for himself, Mr. TOWER, Mr. BOREN, Mr. BINGAMAN, Mr. DOMENICI, Mr. BUMPERS, Mr. RANDOLPH, Mr. PRYOR, Mr. DIXON, Mr. MELCHER, Mr. JEPSEN, Mr. BURDICK, Mr. GRASSLEY, Mr. MATTINGLY, Mr. NICKLES, and Mr. WALLOP) proposed

an amendment to the bill S. 1529, supra; as follows:

At the end of the bill, add the following new title:

TITLE III—EMERGENCY FEED ASSISTANCE

SHORT TITLE

SEC. 301. This title may be cited as the "Emergency Feed Assistance Act of 1983".

SEC. 302. (a) As used in this section—

(1) the term "damaged corn" means corn that is classified as U.S. No. 4, U.S. No. 5 or U.S. Sample grade under section 810.353 of title 7, Code of Federal Regulations; and

(B) the term "eligible farmers and ranchers" means farmers and ranchers who are eligible to receive loans under section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961).

(b) To assist eligible farmers and ranchers in areas that have been adversely affected by the drought, hot weather, or related disaster to preserve and maintain foundation herds of livestock and poultry (including their offspring) and secondary livestock, the Secretary of Agriculture shall make damaged corn held by the Commodity Credit Corporation available to such farmers and ranchers in accordance with section 407 of the Agricultural Act of 1970 (7 U.S.C. 1427).

(c) In making damaged corn available to such farmers and ranchers under this section, the Secretary shall offer the damaged corn held by the Corporation at a price that is equal to 75 percent of the current basic county loan rate for such corn in effect under the Agricultural Act of 1949 (or a comparable price if there is no such current basic county loan rate).

(d) The Secretary shall make damaged corn available for sale, as provided under this section, until September 30, 1984, or the date, as determined by the Secretary, on which any emergency created by the drought, hot weather, or related disaster no longer exists.

(e) Effective for the period beginning on the date of enactment of this Act and ending September 30, 1984, the fifth sentence of Section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427) is amended by inserting "and secondary livestock," after "sheep, and goats, and their offspring,".

MATSUNAGA (AND OTHERS) AMENDMENT NO. 2301

Mr. MATSUNAGA (for himself, Mr. INOUYE, Mr. STEVENS, and Mr. MURKOWSKI) proposed an amendment to the bill S. 1529, supra; as follows:

On page 22, strike out lines 16 through 19 and insert in lieu thereof the following: "(L) the term "United States" means the forty-eight contiguous states in the continental United States."

HUMPHREY (AND OTHERS) AMENDMENT NO. 2302

Mr. RUDMAN (for Mr. HUMPHREY, Mr. RUDMAN, Mr. CHAFEE, and Mr. D'AMATO) proposed an amendment to the bill S. 1529, supra; as follows:

On page 4, line 11, insert after the period the following new sentence: "This paragraph does not apply to any of the milk produced by a producer who produces any quantity of milk, processes such quantity into consumer packages, and markets such packages.".

On page 6, line 2, insert after the period the following new sentence: "This paragraph does not apply to a producer who produces any quantity of milk, processes such quantity into consumer packages, and markets such packages.".

NUNN (AND MATTINGLY) AMENDMENT NO. 2303

Mr. NUNN (for himself and Mr. MATTINGLY) proposed an amendment to the bill S. 1529, supra; as follows:

On page 41, line 2, strike out "subsection" and insert in lieu thereof "subsections".

On page 43, line 11, strike out the quotation marks and the second period.

On page 43, lines 11 and 12, insert the following: "(g) Notwithstanding the provisions of subsection (d) and section 403, the Secretary, if requested by the board of directors of the association through which price support for Flue-cured tobacco is made available to producers, may (1) designate for any crop certain grades of Flue-cured tobacco that are eligible for price support (but representing in the aggregate not more than 25 percentum of the total quantity of the Flue-cured tobacco crop that the Secretary estimates will be produced) that the Secretary determines are of such quantity or quality as to impair their marketability, and (2) without regard to the weighted average of the support rates for eligible grades of Flue-cured tobacco determined under the proviso to the first sentence of subsection (d), further reduce the support rates for such grades to the extent the Secretary deems necessary to reflect their market value, but in no event by more than 17 percentum of the respective support rates that would otherwise be established under this section.".

DOMENICI AMENDMENT NO. 2304

Mr. DOMENICI proposed an amendment to the bill S. 1529, supra; as follows:

At the appropriate place insert the following new language: "The Secretary shall establish a marketing order for pecans dealing with promotional activities.".

HEFLIN AMENDMENT NOS. 2305 AND 2306

Mr. HEFLIN proposed two amendments to the bill S. 1529, supra; as follows:

On page 19, line 11, insert "(a)" after "Sec. 103.".

On page 19, between lines 18 and 19, insert the following new subsection:

(b) Not later than one hundred and twenty days after the date of the enactment of this Act, the Secretary of Agriculture shall—

(1) review in light of current economic conditions all regulations governing, and provisions of, milk marketing orders issued under section 8c of the Agricultural Adjustment Act, as amended and reenacted by the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 608c), that have not been reviewed by the Secretary at any time during the ten year period preceding the date of the enactment of this Act;

(2) take such actions as the Secretary determines are necessary to revise such regulations and provisons in light of such review; and

(3) submit a report on such review and actions to the Committee Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

AMENDMENT No. 2306

On page 53, after line 15, insert a new title as follows:

"TITLE III—EGGS

"SEC. 301. This title may be cited as the "Egg Adjustment Act of 1983".

"SEC. 302. The Agricultural Adjustment Act (7 U.S.C. 601 *et seq.*), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended in the first sentence of section 8c(2) by striking out "poultry (but not excepting turkeys), eggs (but not excepting turkey hatching eggs)," and inserting in lieu thereof "poultry (but not excepting turkeys and not excepting poultry which produce commercial eggs),"; and in subsection (I) of section 8c(6) by inserting after the word "pecans," and before the word "avocados,", the word "eggs,".

BAUCUS AMENDMENT NO. 2307

Mr. BAUCUS proposed an amendment to the bill S. 1529, supra; as follows:

On page 4, line 11, insert after the period the following new sentence: "At the discretion of the Secretary this paragraph applies only to a producer who produces any quantity of milk in a production area specified in a marketing order issued under section 8c of the Agricultural Adjustment Act, as amended and reenacted by the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 608c).".

On page 6, line 2, insert after the period the following new sentence: "At the discretion of the Secretary this paragraph applies only to a producer who produces any quantity of milk in a production area specified in a marketing order issued under section 8c of the Agricultural Adjustment Act, as amended and reenacted by the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 608c).".

FEDERAL SUPPLEMENTAL COMPENSATION ACT OF 1982

DOLE AMENDEMENT NO. 2308

Mr. DOLE proposed an amendment to the bill (H.R. 4101) to extend the Federal Supplemental Compensation Act of 1982, and for other purposes; as follows:

Strike out all after the enacting clause and insert the following.

EXTENSION OF PROGRAM

SECTION 1. (a) Paragraph (2) of section 602(f) of the Federal Supplemental Compensation Act of 1982 is amended by striking out "September 30, 1983" and inserting in lieu thereof "October 18, 1983".

(b) Paragraph (2) of section 605 of such Act is amended by striking out "October 1, 1983" and inserting in lieu thereof "November 1, 1983".

EXTENSION OF PROVISION ALLOWING PAYMENT OF DISABILITY BENEFITS DURING APPEAL

SEC. 8. Section 223(g)(3)(B) of the Social Security Act is amended by striking out "October 1, 1983" and inserting in lieu thereof "December 7, 1983".

EXTENSION OF PROVISIONS RELATING TO DEPENDENT CHILDREN VOLUNTARILY PLACED IN FOSTER CARE

SEC. 9. (a) Section 102(a)(1) of the Adoption Assistance and Child Welfare Act of 1980 is amended by striking out "October 1, 1983" and inserting in lieu thereof "October 1, 1984".

(b) Section 102(e) of such Act is amended by striking out "October 1, 1983" each place it appears and inserting in lieu thereof in each instance "October 1, 1984".

SOCIAL SECURITY COVERAGE OF RETIRED FEDERAL JUDGES ON ACTIVE DUTY

SEC. 10. Notwithstanding section 101(d) of the Social Security Amendments of 1983, the amendments made by section 101(c) of such Act shall apply only with respect to remuneration paid after December 31, 1985. Remuneration paid prior to January 1, 1986 under section 371(b) of title 28, United States Code, to an individual performing service under section 294 of such title, shall not be included in the term "wages" for purposes of section 209 of the Social Security Act or section 3121(a) of the Internal Revenue Code of 1954.

CLARIFICATION WITH RESPECT TO REPAYMENT OF LOANS

Sec. 12. (a) Section 1202(b)(2) of the Social Security Act is amended—

(1) in the matter preceding subparagraph (A), by striking out "advance" and inserting in lieu thereof "advance or advances";

(2) in subparagraph (A), by striking out "advance is" and inserting in lieu thereof "advances are";

(3) in subparagraph (A), by striking out "advance was" and inserting in lieu thereof "advances were"; and

(4) in subparagraph (B), by striking out "advance" the second place it appears and inserting in lieu thereof "advances".

(b) The amendments made by this section shall apply to advances made on or after April 1, 1982.

PUBLIC LANDS AND NATIONAL PARKS ACT OF 1983

THURMOND AMENDMENT NO. 2309

Mr. BAKER (for Mr. THURMOND) proposed an amendment to the bill H.R. 1213, to amend certain provisions of law relating to units of the national park system and other public lands, and for other purposes; as follows:

On page 4, line 21, strike the period, insert in lieu thereof a semicolon, and add the following: and by striking out "$500,000" and inserting in lieu thereof "$2,000,000".

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce that the Senate Small Business Committee will hold a hearing on October 12, 1983, in Buffalo, N.Y., on the impact of crime on small business. The hearing will begin at 10:30 a.m. in room 226, second floor conference room, Federal Building, 111 W. Huron Street. Senator D'AMATO will chair. For further information, please contact Mike Haynes of the committee staff at 224-8487.

Mr. President, I would like to announce that the Senate Small Business Committee will hold a hearing on October 17, 1983, in Sioux Falls, S. Dak., on the impact of interest rates on the small business and agricultural sectors. The hearing will begin at 10 a.m., Augustana College, Morrison Commons Lounge, 29th and South Summit Street. Senator PRESSLER will chair. For further information, please contact Mike Haynes of the committee staff at 224-8487.

Mr. President, I would like to announce that the Senate Committee on Small Business will hold a hearing on October 17, 1983, in Nashville, Tenn., on the obstacles faced by small business in Federal procurement. The hearing will begin at 1:45 p.m., in room 29, Legislative Plaza. For further information, please contact Bill Montalto of the committee staff at 224-3099.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Committee on Energy and Natural Resources to consider the nomination of Danny J. Boggs, of Virginia, to be Deputy Secretary of Energy; and the nomination of Raymond J. O'Connor, of New York, to be a member of the Federal Energy Regulatory Commission.

The hearing will be held on Monday, October 17, beginning at 10 a.m. in room SD-366 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510.

For further information regarding this hearing you may wish to contact Mr. David Doane of the committee staff at 224-7144.

In addition, I would like to announce the scheduling of a public hearing before the Committee on Energy and Natural Resources to consider S. 1678, to amend the Energy Policy and Conservation Act to strengthen our Nation's energy emergency preparedness consistent with the policy set forth in section 271 of said act, and for other purposes. The hearing will be held on Wednesday, October 19, beginning at 10 a.m. in room SD-366 of the Dirksen Senate Office Building.

Those wishing testify or who wish to submit written statements for the hearing record should write to the committee at the above-listed address.

For further information regarding this hearing you may wish to contact Mr. Richard Grundy of the committee staff at 224-2564.

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Energy and Mineral Resources will hold another hearing in a series of oversight hearings on the condition of America's coal industry. The hearing will look at the competitiveness of American coal in both the domestic and the international energy market. The focus will be on America's coal railroad transportation system—specifically how recent regulatory actions have impacted the movement and utilization of coal, both domestically and internationally.

The hearing will be held on Tuesday, November 15, beginning at 9 a.m. in room SD-366 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subcommittee on Energy and Mineral Resources, U.S. Senate, Washington, D.C. 20510.

For further information regarding this hearing you may wish to contact Mr. Roger Sindelar of the subcommittee staff at 224-5205.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON ENERGY CONSERVATION AND SUPPLY

Mr. WARNER. Mr. President, I ask unanimous consent that the Subcommittee on Energy Conservation and Supply, of the Committee on Energy and Natural Resources, be authorized to meet during the session of the Senate on Thursday, October 6, at 9:30 a.m., to hold a hearing to consider S. 1366, a bill to implement the recommendations of the Interim Report of the Northern Mariana Islands Commission on Federal Laws and to amend the Revised Organic Act of the Virgin Islands and the Organic Act of Guam, and for other purposes; and S. 1367, a bill to repeal certain provisions of law relating to the territories and insular possesions of the United States.

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

SUBCOMMITTEE ON PUBLIC LANDS AND RESERVED WATER

Mr. WARNER. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands and Reserved Water, of the Committee on Energy and Natural Resources, be authorized to meet during the session of the Senate on Thursday, October 6, at 9 a.m., to hold a hearing to consider Senate Joint Resolution 139, a resolution to commemorate the centennial of Eleanor Roosevelt's birth; S. 1868, a bill to add $17,996,558 to the budget ceiling for new acquisitions at Sleeping

Bear Dunes National Lakeshore; S. 1775, a bill to repeal the designation of the Georgia O'Keefe National Historical Site; S. 1790, a bill to authorize the Secretary of the Interior to enter into a contract or cooperative agreement with the Art Barn Association to assist in the preservation and interpretation of the Art Barn and Pierce Mill located in Rock Creek Park within the District of Columbia; S. 806, a bill to provide for a plan to reimburse the Okefenoke Rural Electric Membership Corporation for the costs incurred in installing electrical service to Cumberland Island National Seashore; S. 1389, a bill to transfer administration of certain lands in California and Nevada to the Bureau of Land Management; S. 1654 and H.R. 451, bills to validate conveyances of certain land in the State of California that form part of the right-of-way granted by the United States to the Central Pacific Railway Co.; S. 1547 and H.R. 1191, bills to amend the conditions of a grant of certain lands to the town of Olathe, Colo., and for other purposes; S. 1860, a bill to clear title to certain lands along the California-Nevada boundary; and S. 1688, a bill to amend the act of October 18, 1972, to modify the authorization of appropriations for Sitka National Park, Alaska, and for other purposes.

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

SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. WARNER. Mr. President, I ask unanimous consent that the Subcommittee on East Asian and Pacific Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, October 6, to hold a hearing on the Pacific Air Frontier.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. WARNER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, October 6, to consider the nomination of Ronald Spiers to be Under Secretary for Management of the Department of State.

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

ADDITIONAL STATEMENTS

BIBLE TRANSLATION DAY

● Mr. ARMSTRONG. Mr. President, more than 400 people met Thursday, September 29, here in the Nation's Capital to honor the quiet, unsung heroes of the Christian movement: Bible translators.

Anyone who reads a Bible should offer their heartfelt thanks to these translators. Without them, the Word of God, as expressed in the Bible, would not be available to us in our native language.

Mr. President, I ask my colleagues, and anyone reading these remarks to think about their favorite Scripture passage, the passage that offers the greatest personal meaning. Then I ask you to think about what your life would be like if that passage were not available in English.

You can now begin to understand the great role that these people have played in transforming the world by translating the Word.

Senators, Congressmen, ambassadors, top White House staff, Cabinet officials, military officers and hundreds of others gathered for an hour in the U.S. Senate Caucus Room Thursday to pay tribute to Bible translators. The occassion was held on the feast of the death of St. Jerome, the first Bible translator, and a day that has been selected by Congress as Bible Translation Day. The event featured greetings from President Reagan, remarks by Senator HATFIELD, Dr. Richard Halverson, Senate Chaplain, Rev. Roy Gesch, Lutheran Bible translators, Dr. Barclay Newman, American Bible Society, Mr. David Cummings, and Wycliffe Bible International.

The highlight was the presentation of the 200th Bible translation prepared by Wycliffe Bible International to the Ambassador of Ghana, Eric Otoo. This 200th translation was in the Hanga dialect, the language of a tribe living in Ghana. This translation was more than a decade in the making, and represented the life's work of Geoffrey and Rosemary Hunt, who were on hand to make the presentation. But as Geoffrey Hunt said yesterday:

> I am only one translator. My wife, Rosemary, is only one other. And there are thousands of people out there right now working for Bible translation, struggling, some of them having great difficulties. But we are only representatives. If we had been number 199 or number 201, you would not have known anything about us.

Mr. President, in recent years there have been great achievements in the field of Bible translation in recent years. In fact, the progress made in the last 20 years equals the progress of the preceding 400 years. The Bible has now been translated into 1,763 languages and dialects and is available to 95 percent of the world's population in their native tongue.

But more remains to be done. Some 3,000 languages remain either unwritten or untranslated. So yesterday's gathering both honored past achievement in translation and encouraged further progress.

It is the goal of the Bible translation societies represented yesterday to deliver a transcript of the proceedings into the hands of every translator now working in this field. To help achieve this goal, Mr. President, it is my honor to ask that the transcript from the proceedings of Bible Translation Day be printed in the CONGRESSIONAL RECORD.

The transcript follows:

BIBLE TRANSLATION DAY RECEPTION,
SEPTEMBER 29, 1983

PROCEEDINGS

Senator ARMSTRONG. This is an historic occasion in many ways, not the least of which is, this is probably the only meeting to take place on Capital Hill this year, that is starting on time.

[Laughter.]

Senator ARMSTRONG. And I don't know about you but I am enthusiastic. Praise the Lord. To think of a gathering like this, in this setting, and an overflow crowd, and it's just great.

I want to recall a story told by a constituent of Mark Hatfield, a pastor from Oregon, who related that when Vince Lombardi was the coach of the great Green Bay football team that just won week after week after week and got into such a habit of it, that one time they lost. And those of you—I don't know if there are any football fans in the room, but those of you who know anything about football will recall that he didn't take well to losing football games.

And after it was over, so the story goes, he just bundled his people up into a bus, took them right out after the game to the practice field, he lined them up, and he said, "All right, it's back to basics. This is a football."

[Laughter.]

Senator ARMSTRONG. Now, the point of the story is that what this meeting is all about, aside from honoring some people who have given such dedicated and effective service to the Lord, is to hold up this document for all the world to see, and say to them, "This is the Holy Scripture. This is the word of God." And I think that is the real symbolism of this occasion, and I'm just excited and proud and pleased that so many of you are able to be with us today.

One of those who we're honored to have is Herb Ellingwood, who comes here from the White House where he serves the President, and I'm wondering, Herb, would you come forward and open us with a word of prayer?

Mr. ELLINGWOOD. Our Father in Heaven, in the name of Jesus, it's the most delightful thing to be here where you allowed us to live, in the most exciting time in history, when people around the world are accepting Jesus as Savior, in numbers unheard of. And we thank you, God, for the servants that you've placed here, not only in the Capitol, but in Wycliffe translators and everywhere else, God, that they've given to you their lives, that what you want to have happen can happen, and happen in a way, God, that the world can recognize that there's a validity in the process here, when the President of this country will name this year, at the request of the Congress, the year of the Bible.

What a fabulous thing, God, to live in this time. And we thank you for that. Each of us here just thank you for this opportunity to be alive now and to be a part of your family. And now we ask that your blessing would be upon all those that are here, especially the leadership of the building that are here, the leadership of the Congress. But also for all of the guests that are here, and we give you the praise for that. Amen.

Senator ARMSTRONG. As we gather here today, people throughout the world are dedicating themselves to the task of translating the Bible, the Word of God, into every language and dialect. Nothing that we can say or do will begin to match or even compare with the reward that will be theirs in the life to come, as a result of their service.

But it does seem to me to be particularly appropriate that we gather here in the very shadow of the Capitol, in the nation's capital city, to pay our respects to them, to the thousands of people who have participated so effectively in this effort.

The Bible has been translated into 1,763 languages and dialects. Some 95 percent of the world's population now have the opportunity to read the word of God in their native language and, if they choose, to act upon its promises.

Apart from the spiritual significance of this program which, of course, is the primary emphasis, this work has also fostered literacy and communications through-out the world. Often, whole nations and tribes who have had only spoken, not written, communication, have gained the opportunity of a written language through the work of Bible translators.

Bible translators go to these countries, dedicate a decade or more of their life to the task of mastering the language, developing the alphabet, committing it to paper, building a vocabulary, and finally, then, the work of Bible translation can begin. There are many examples of this work.

For example, Marianna Slocum and Florence Gerdel have brought literacy, communication, and the spirit of God to 80,000 Mexican and Colombian people who before they came had no written language. These two women dedicated 15 years of their lives developing an alphabet and bilingual education materials for the Tzeltal tribe in Mexico, including a complete copy of the New Testament in their language.

Their work, literally, transformed that tribe. When Marianna and Florence began their work, there were only 12 churches among the 45,000 people. Today there are more than 263 congregations where 30,000 new believers worship. This morning we're going to hear more about the great progress that has occurred in this field.

We will learn firsthand of the work of Geoffrey and Rosemary Hunt who translated the New Testament into the dialect of a tribe living in Ghana. We'll hear about the work of the Lutheran Bible Translators who just completed their first New Testament translation for people living there.

These are exciting times for Bible translators. The progress they have achieved in the past 20 years exceeds the progress of the preceding 400 years. Right now there are more than 1,000 language and Bible translation projects underway all over the Globe. And yet despite this tremendous progress much remains to be done.

About 3,000 languages and dialects still need translation. Some 200 million people are represented by these dialects. And until we have completed the translation of the Bible into these remaining languages, we will not have fulfilled the task of the Great Commission.

So, we are gathered here today to express appreciation for the work already complete and to encourage progress in the work that remains.

Let me mention just a few of the organizations actively involved in the work of Bible translation: Wycliffe Bible Translators, the World Home Bible League, Evangel Bible Translators, New York International Bible Society, Mission to the World, American Bible Society, Living Bibles International, Pioneer Bible Translators, Christian & Missionary Alliance, Logos Translators, Lutheran Bible Translators, and for those of you who may be as surprised as I was when I learned this, I just want to share, before we begin our program, one fact that I must say, really took me by complete surprise when I learned it yesterday, that the persons who show the most natural aptitude for the work of Bible translation are musicians and scientists, musicians because of their keen ear for tonal values, and scientists and mathematicians because of their inherent and trained appreciation for logic.

Now, as one who has a tin ear——

[Laughter.]

Senator ARMSTRONG [continuing]. And no background in science whatsoever, I must say I stand not only in appreciation but in awe of those who have performed and are performing this extraordinarily important work.

Now, my dear brothers and sisters, it is my great privilege to present to you a beloved person here on Capitol Hill, and a man who is known and respected and admired and loved all over the world, our dear brother, Dr. Richard Halverson. Dick, would you come and read to us from the scripture?

[Applause.]

Dr. HALVERSON. Thank you. I just want to say before I start reading this, these selected verses, that in the brief time I've been in the Senate I've learned to love all of the senators, and I really mean that. I have fallen in love with them. There are some of them who, in my mind, are beloved senators, and I always address them that way, and one of the most beloved is the one who is unable to be here today, and because of which I am asked to read these scriptures, Senator Jennings Randolph. It's a real honor to try to take his place. I am sorry that he can't be here.

Let me just read a few scriptures which I am sure are familiar, but perhaps in the context of this meeting can have special meaning. I was interested in Paul's word in his first letter to the Corinthians. He was actually talking about the spoken word, but it appeared to me as I read this that this is precisely what the Wycliffe Bible Translators are doing. Paul exhorts: "So likewise ye, except ye utter by the tongue words easy to be understood, how shall it be known what is spoken, for ye speak into the air?" And, of course, Wycliffe Translators are—have dedicated themselves through the years to first of all putting language into writing and then translating into the New Testament and giving to that people a word easy to be understood.

Here's an interesting statement from the Psalms. "The Lord gave the Word. Great was the company of those that published it." And our Lord Jesus Christ reminded us, "Heaven and earth shall pass away, but my words shall not pass away." And, of course, Wycliffe is the instrument of God, among others, to fulfill that prophecy.

Isaiah wrote: "So shall My Word be that goeth forth out of My mouth. It shall not return unto me void, but it shall accomplish that which I please and it shall prosper in the thing whereto I sent it."

It's interesting to think of the Wycliffe Translators, often in their loneliness of going to a new tribe, and identifying there with the language in order to give them the Bible, the word of God.

Here's an interesting comment about the word from the Hebrew epistle, the third verse, "And he upholdeth all things by the word of his power."

James admonishes: "Wherefore lay apart all filthiness and superfluity of naughtiness and receive with meekness," and then this interesting phrase, "the engrafted word which is able to save souls."

And Peter reminds us in his first epistle that we are "born again, not of corruptible seed, but of incorruptible, by the Word of God which liveth and abideth forever." He also reminds us in the second chapter of his first epistle: "As newborn babes desire the sincere milk of the word."

One of the exciting experiences I've had on a number of occasions is being somewhere in the world when a translation of a book of the New Testament has been completed, not even yet published. And I have been able to be part of the dedication of that translation in manuscript form. And it's wonderful to think of this statement of Peter's, the milk of the word, as it is given to these people.

In his second epistle, Peter writes, "We have also a more sure word of prophecy whereunto ye do well that ye take heed," and then this clause, "as unto a light that shineth in a dark place." Think of the lights that are being turned on all over the world by Wycliffe.

A test that has come to mean a great deal to me, perhaps one of the first I memorized in my pilgrimmage with Christ, but has come to mean a great deal in these last couple of years to me, the very familiar passage from II Timothy 3:16 and 17. "All scripture is given by inspiration of God, and it is profitable," "It is profitable for doctrine, for reproof, for correction, for instruction in righteousness, that the man of God may be perfect, thoroughly furnished unto all good works."

And finally, listen to these ways the word is described in the New Testament. James refers to the word as—in this way: "Of his own will be begat us with the Word of truth." John refers to the word as "the words of eternal life."

Paul, in his Second Letter to the Corinthians, refers to the "word of reconiliation". In his letter to the Philippians Paul speaks to "holding forth the word of life," and finally, in his first letter to Timothy, Paul says to this young pastor: "Nourish up in the words of faith." The word of truth, the word of eternal life, the word of reconciliation, the word of life, and the word of faith. Amen.

Senator ARMSTRONG. Thank you, Dick. My friends, it is now my pleasure to present Senator Mark Hatfield, who brings with him greetings from the President and a word of thanks for Bible translators worldwide. Receiving the greetings from the President is Mrs. William Cameron Townsend, wife of the founder of Wycliffe.

You know, ladies and gentlemen, there are only a handful of men in America who bear the political responsibility that my colleague, Mark Hatfield, bears. This very day, and in fact I think I am correct in saying at this very instant, the Appropriations Committee, of which he is the Chairman and leader, is marking up a bill of enormous dollar amount, to keep the government operating beyond midnight, September 30th. And day after day, week after week, he shoulders this responsibility, an immense political responsibility. But he does it in a way that I think is a tremendous to the love and saving power of Jesus Christ.

And it is really a privilege for me to present to you a great man of God, Senator Mark Hatfield. Mark?

[Applause.]

Senator HATFIELD. Thank you very much, Bill. Senator Armstrong, Senator Jepsen, distinguished ambassadors, ladies and gentlemen, as we gather here today for the recognition of the marvelous scholarship and work of translations for the scripture. I am mindful of the fact that when we speak of the Bible we could speak of it as a book of history, a book of beautiful literature, a book of lilting poetry. But I think the great gospel of John states it most succinctly to delineate it from all other publications in his first chapter when he speaks of the word of God, and the word becoming flesh.

It's so easy to see the beauty of a leather-bound book, and being a bibliophile, I can especially appreciate beautifully bound books. But unless we understand that it is a part of the continuing incarnation of our own lives, to represent the truth of that book, and live our life in relationships to others as a testimony to the incarnation, for the word to be made flesh, it is but just another book.

And I think the thing that's inspired and motivated these people throughout the ages to spread and to share this unique word of God is because it is different from any other book.

I have received from the White House, the President of the United States, an envelope containing a letter that he has written to——

[Laughter.]

Senator HATFIELD. I guess their machine, their typewriter, got it.

[Laughter.]

Senator HATFIELD. "I am delighted to send my warm gretings to all who are gathered for the congressional reception honoring Bible translators. This special occasion provides a fine opportunity to recognize and show appreciation for the individual work of our nation's Bible translators. Through their endeavors the Bible has been translated into more than 1,700 languages and dialects. These translations serve as a powerful force fostering literacy, greater communication, and better understanding throughout the world.

"The Bible still remains to be translated into some 3,000 languages. By addressing that need, your enthusiastic and dedicated efforts serve to heighten the commitment of all who are working to achieve that goal. Because the Bible serves as a foundation for so many faiths, it is most fitting that we honor those who pursue this work for such devotion.

"I especially want to congratulate the Wycliffe Bible Translators for completing successfully the 200th translation of the New Testament. Just as I took great pride in proclaiming 1983 as the year of the Bible, so I am honored to join in this tribute to the individuals responsible for the translation of the scriptures."

Signed, Ronald Reagan.

Now, I have to be honest with you. While this is such a magnificent letter—well, I'll make a xerox of the letter and give that to Mrs. Townsend, and then my conscience got the better of me, and so I decided to present her the original copy of it.

[Laughter. Applause.]

Mrs. TOWNSEND. Senator Armstrong, Senator Hatfield, Your Excellencies, Honorable Members of Congress, Representatives of the Cabinet and the White House, distinguished guests and friends of Bible translation, on behalf of Wycliffe Bible Translators and the Summer Institute of Linguistics, and all Bible translators and organizations and devoted support persons, I really am highly honored to respond to this special message from our President Reagan on this occasion of Bible Translation Day, first celebrated in this beautiful Capital of Washington, D.C.

It's been my pleasure as a member of Wycliffe Bible Translators and wife of its founder, William Cameron Townsend, to know personally many of the Bible translators and support personnel working in language groups in the United States and throughout the world. In the Mexican Indian village where I lived and worked for many years, the Aztecs divided the human race into two groups. Those who could read and write were classified as "gente de razón"(?) or rational beings. Those who cannot, they classify, unfortunately, as animals.

Years ago my late husband, who many of you knew as "Uncle Cam," saw one of these Aztec Indians in the cornfield picking up a newspaper that was flying down the road, and held it to his ear. And, you know, these people have been—they learned that paper could talk. So here he was trying to hear this paper talk. But it didn't. For two reasons. One, it wasn't in his own language. And, then, he couldn't read it if it was.

But now, however, that paper does talk loud and clear to him. The reason being that my own daughter and her husband, David and Joy Tuggy(?), finished the translation for this language group in 1978, and now it is in the hands of the people. You can imagine what rejoicing it is for us.

I'm sure that I speak not only for all Bible translators and literacy workers, of whom I was one for many years, but also for the cultural communities who have been given their own alphabets and scriptures through the efforts of the translators. They too, I am sure, would want their heartfelt gratitude expressed for the milestone which we are celebrating today.

In accepting this honor on behalf of the Bible translators of this country, we hasten to assure our colleagues, some of whom are here this morning from other lands, that the major contributions they have made to this effort are profoundly recognized and appreciated as well.

But it would be a mistake to suppose that as we thank God for the 200 New Testaments finished in the last 40 years, any feeling of conceit or smugness accompanies this ceremony. On the contrary, we recognize with greater humility and concern than ever the fact that more than 3,000 language groups are still without their own alphabets and their own scriptures. You're probably going to hear this number several times before the morning is over, so don't forget. There are 3,000 tongues to go.

As we ponder the plight of these disenfranchised groups, we are reminded of the word of Ezra, to Israel, so many centuries ago, at the feast of Yom Kippur, the Day of Atonement, which was celebrated, again, just this month.

"Go your way," commanded Ezra, to those who had rebuilt the wall of Jerusalem. "Eat the fat, drink the sweet, and send portions to those for whom nothing has been prepared." We believe the need to translate for those still without the scriptures in their mother tongue is symbolically specified by what Ezra said to the people, to this people.

And we are here to rededicate ourselves anew to completion of this unfinished task. Thank you.

[Applause.]

Senator ARMSTRONG. Ladies and gentlemen, we have a roomful of distinguished persons and I'm not going to, at this moment, seek to introduce in any formal way anyone who is here. But I would like you to know, and I think you would like to know, that a number of members of the Senate and of the House of Representatives are either in the room or have been here earlier and have indicated their desire to take part in this occasion. I'm not going to ask them to stand, but if there are others who I have not noted in the room, I'd like to know about it before this is over.

My colleague, Roger Jepsen, who you will meet presently, is here. Senator John East, Senator Pell, Senator Slade Gorton, Senator Ted Stevens, Senator John Warner, and Congressman Bill Dannemeyer was here earlier and had to return to the House. I believe Representative Bob McCair is here, Congressman Denny Smith, Congressman Duncan, Congressman Mack, Congressman Claude Pepper, Ambassador and Mrs. Otoo, of course, Ambassador Pondi. There may be others who I have not noted.

But I think it is significant and symbolic of the occasion that these men and women who have important responsibilities here on the Hill and elsewhere to think that this is an occasion of importance to take part in.

Now, it is my pleasure to call upon Mr. David Cummings, President of Wycliffe Bible Translators, International. He is from Australia. And I assume it will be his purpose to come forward to give us apologies for the recent events of——

[Laughter.]

Senator ARMSTRONG. I'm sorry. I'm sure you hadn't heard about that and I didn't want to—I apologize for bringing it up. But if there's anything that he can say at this time which will ease the sense of loss that we feel, I hope you'll feel called upon to do that.

Mr. Cummings is a Bible translator himself. He is trained in the electrical industry, but chose instead a career of translation. His first assignment was in New Guinea and he has worked since on Bible translation projects in both Australia and New Guinea.

In 1981, after 31 years of service, he was elected President of Wycliffe Bible Translators, International. We are hoping that he will talk to us about the work of Wycliffe and also introduce Geoffrey and Rosemary Hunt, who completed the 200th Wycliffe Bible translation.

Mr. Cummings?

[Applause.]

Mr. CUMMINGS. Senator Armstrong, Senator Hatfield, Your Excellencies, Honorable Members of Congress, Representatives of the Cabinet and the White House, and to you distinguished guests and friends of Bible translation, it's a privilege to be here.

I'd like to say, first of all, thank you to the three senators who have hosted our gathering this morning. I appreciate their willingness and their kindness in doing this so that we could be together.

It's a very special opportunity for me to introduce the two translators who, in a sense, are symbolic of the teams around the world. It's been a very marvelous experience for me to be in an international organization that is truly related to goodwill in international relations.

As an organization we are serving today in some 56 different countries and entities around the world. We have membership today in Wycliffe from some 26 countries. So, this means that in many, many ways we

are truly international and for those of us in the team we're just thrilled at the privilege of working alongside of so many other national brothers and sisters dedicated to this single cause of giving the scripture.

And I might say our world view has been enlarged greatly. And as an Australian, I have enjoyed learning so much from my colleagues.

I enjoyed the Senator's first remarks, if I might just go back to them, about the football team that hadn't lost in a long time, and I couldn't help thinking of a certain——

[Laughter.] [Applause.]

Mr. CUMMINGS. Actually, we're riding the crest of the wave at the moment.

[Laughter.]

Mr. CUMMINGS. And I've heard that your skipper in the United States here has taken the men down the wharf, they've lifted the boat out and said, "Back to basics, men. This is the keel."

[Laughter.]

Mr. CUMMINGS. But it's really been a joy to be part of this international team.

We're represented in Sweden to Surinam, from Pakistan to Peru, and many, many countries in between. This has given us a great sense of the need in our world in terms of communication, as you will understand. And so a second theme that runs through today is undoubtedly the place of language, because so often misunderstandings, sad misunderstandings, are because we haven't understood the language or the culture of another group.

Bible translators in particular are dedicated to this very factor of recognizing that if a person is going to fully and clearly understand, it must be in the language that he first learned at his mother's knee.

There are many barriers in communicating and the science of descriptive linguistics, which is the very tool that the translator uses, we have seen over these years be an instrument to bring understanding as people have moved from their isolation into the national life of many countries in which we're working.

Today it's true we are looking at a very significant point in time as we celebrate the completion of the 200th New Testament. But it is merely a celebration and a stepping stone because we've got so far, still, to go. For us we're excited as we move into our fiftieth anniversary, the fiftieth commencing in November of this year, and during our anniversary year we expect to enter the thousandth tribe of our work. And that is yet another milestone.

But, that is not good enough either. We are praying that in this decade we will see 3,000 more people recruited into the team. In the last two years, since we have set this as a faith goal, we have seen almost 300 each year. So, we feel as though we're on target and we're excited to believe that God is going to let us fulfill this.

The work of translation, however, has already been stated. But I should state it again. It is not just done unilaterally by the translator. Far from it. We are so committed to the help of the nationals where we're working, and without their help we couldn't do it. Today we honor them for what they have done in helping us. For without them we would have been impotent.

Back in 1970, a young British couple left Great Britain to go to Ghana. They went with their three-month-old baby son and went to live in a village some 400 miles north of Accra in Ghana. And there, in that isolated place, they began to make friends with the Hanga people. It was a slow introduction, for the language had never been written before. And they had to listen to the sounds, and by gesture begin to analyze and reduce the language to writing. And then to teach the people to read. It wasn't an easy language. And today we know that Geoffrey and his wife Rosemary, in analyzing this, found a very significant thing in the vowel system there, of that language, of the strong and the weak vowels, which were very significant, and in the relations with the university, later, in Legon, they accepted this insight and were very grateful because this was a tool that unlocked other languages in that country.

They worked for the next 13 years, amongst these people, learning to love these people, and that was reciprocated as they lived together there with their little family.

During this process it was not just the work of Geoffrey, but in fact, as most translation teams, husband and wife worked very closely together. And so often, as we see it, the way one will complement the other. And Geoff's testimony is that his wife had a very keen ear to be able to hear the sounds and to learn the language well. He, with his training, did an excellent job in reducing and analyzing the language so that it could be very clear as it communicated the message.

Rosemary was a trained teacher, taught in Great Britain for four years prior to leaving for the field. Geoffrey graduated with his Master's Degree at Cambridge University in physics and electrical engineering, and that training prepared him well for the analytical work, I can assure you.

It's my very real privilege and pleasure today to introduce the translators of the 200th New Testament, Geoffrey and Rosemary Hunt.

[Applause.]

Mr. HUNT. Senator Armstrong, Senator Hatfield, Your Excellencies, Members of Congress, representatives of the Cabinet and White House, distinguished guests, I don't really deserve that applause, you know. It's a real joy to be here. But I am only one. Rosemary is only one other. And there are thousands of people out there right now working for Bible translation, struggling, some of them having great difficulties. But we are only representatives. If we had been number 199 or number 201 you wouldn't have known anything about us.

[Laughter.]

Mr. HUNT. We wouldn't, perhaps, never would have seen Washington either.

[Laughter.]

Mr. HUNT. Never met a senator. But we're here and we're grateful to be here. And as you have heard, I am one of those scientists the Lord called to be a Bible translator. My wife makes up for my very noticeable inability with music. So, we are a team and God has used us in the way that he has and it's a real honor to be a Bible translator. But, again, I would like to say this: that when you are even applauding us, you're not just applauding the other Bible translators around the world. But you're applauding a lot of people in a lot of countries, with whom we were partners.

We received great encouragement from a lot of people and I'm thinking now of people in Ghana. I'm thinking of people in the university. Professor Kwesi Dickson (?) of the University Institute of African Studies at Legon in Ghana, how he has encouraged us. I am thinking of illiterate people in some villages up in the north of Ghana, and the whole range in between, people who have encouraged us, people who have helped us, without whom this task would not have been done.

This is a question of partnership. This transcends the barriers, the international barriers, the curtains that we have across our world, Bible translation, and the love that is spoken of in the Bible. These things transcend those barriers. These things bring man and another man together across cultural barriers. And I would like to tell you some of the things that we have experienced in partnership with Ghanaian people.

One of the real delights there was to see the beginning of an organization called The Ghana Institute of Linguistics, Literacy, and Bible Translation. And when we started it was almost entirely composed of expatriates. But it was a Ghanaian organization and it had a majority of Ghanaian on the trustees.

And before I left that body had a majority of Ghanaians on the Executive Committee. And they were voted to that position by a majority of expatriates. And do you know why we could do that? Because we loved them and we trusted them and we respected them. And I really want to say thank you. I would like to express it personally to Ambassdor Otoo (?) for the privilege we had of being in Ghana, for what it meant to us to work with people like this, people with whom we could work so closely.

And just a week or two before I left Ghana I was traveling through the African bush with a Ghanaian friend. He was actually driving my truck. And he turned to me, unprompted, and said, "Geoff, you know, there's no other organization in Ghana where expatriates and Ghanaians can work together like this." And I felt so proud at that moment. It meant so much to me that we had entered into a partnership that was acknowledged by Ghanaians as something special.

And we went into that partnership with that one purpose, of giving these people the scriptures and all that went with it, with literacy, people reading. And this has been a marvelous experience, since we have been away from Ghana, to hear what has happened.

While we were there, and in the particular language, the Hanga language, very few people were literate when we arrived. But while we were there we started a literacy program and there was one man from a distant village. His name was Seedu Duwa. He had never been to school. His village was 25 miles from the main road, right in the African bush. There was no electricity and no television, very few books, and he couldn't read anyway. And that man learned to read and write in one month and a half.

Now, I don't know if you have any children who have done it as quickly as that. With all their abilities, with all the literature that they have around them, my son certainly didn't. In fact, my son was on one occasion reading some of the scriptures in Hanga and he said to me, "You know, this is easier than the English Bible". And it was lovely to see this happen, and to see the literacy continue as it spread from village to village. If in one village it didn't take off very well, well then the village that got hold of it, once they started doing better, the competition spurred on the other village.

[Laughter.]

Mr. HUNT. And it bounced backwards and forwards like a pendulum oscillating. And then we left. We left the work for these people, the work to teach them to read, in the hands of one local person, or two local people.

And one of them in particular has carried it on during that time. We're not paying him to do this. He regards this as his duty to God and his duty to his own people. He will spend two weeks working as a tailor to get some money and then he'll spend a week traveling through the bush to teach people to read and encouraging—encourage those who are also teaching.

And since we left Ghana a year and a half ago, more people have learned to read among those Hanga people, than learned to read while we were there. And you can understand how much of an encouragement I feel that to be. Because if you are a missionary and you go to a country and you leave nothing behind that really lasts, what have you done? But we have left behind the scriptures and the people appreciate that. They have learned to read their own language. And that has given many of them a new identity, a new respect, and in a way that they can go on to learn other languages. It is for them a stepping stone. They have proved they can do it. And we don't know what other possibilities will be opened up to them because they have taken this first step.

But we thank God for people who are now carrying on this work.

In a sense, we had to get out of the way so that the work could continue. We were there for the initial stage, and we thank God for it. If you like, we sewed and others are reaping. And we thank God that others are reaping.

And so you will understand that it's, for me, a great privilege to ask my wife to come forward and to present a copy of the Hanga New Testament. I have written in it a small phrase, a proverb, a Hanga proverb, which says that you cannot look into a bottle with two eyes. And that was told me by a Hanga person when he understood that when you turn to Christ it has to be with everything. And that was how he explained it to me. And it is a beautiful memory for me.

I am now going to invite Ambassador Otoo, who with his wife is here this morning. I am going to ask him to come forward and to accept this New Testament. Unfortunately, it's not in a language that he speaks. But I would ask him to come here and receive this New Testament.

Mrs. HUNT. Your Excellency, it's a great privilege and honor to be able to present you with this Hanga New Testament.

Ambassador OTOO. Thank you.

[Applause.]

Ambassador OTOO. Senator Armstrong, Senator Hatfield, Your Excellencies, Honorable Members of the Congress, Representatives of the government and the White House, distinguished guests, ladies and gentlemen, I must confess to some trepidation as I stand here before you this morning to receive in all humility and on behalf of the government and people of Ghana this copy of the Bible in Hanga, a native language of my own country.

About a century and a half ago the first translation to a Ghanian language of the Bible appeared. Prepared by the Basel Missionary Society which operated in the eastern part of Ghana. Since then several other languages of my country have been—the Bible has been translated into several other languages of my country.

There was a time, of course, when it became fashionable to belittle the efforts of the missionaries, particularly in Africa. This was during the time when the whole of Africa was engulfed in the struggle for independence and so on, and the whole question of colonialism was being condemned and everybody associated with this system were also being condemned.

But when the dust settled down and in our hearts of hearts we realized, of course, that it was through the missionaries' efforts that a great deal of Africa was opened to the light and to Christianity, which in turn enabled the first generations of the educated people, almost without exception in Africa, to emerge. These were educated in what became known as the missionary schools. They still exist in many parts of Africa. They still contribute to educating the masses of the people. But what is more important, that through the Bible being translated into native languages, the literacy campaign in Africa, and particularly in my own country, Ghana, has accelerated.

Whatever successes we achieve in this direction are due to the humble beginnings in the villages and hamlets where these missionaries, like Geoffrey and Rosemary Hunt, give of themselves for the benefit of others, to stay with the people and to help them to reduce their own language into writing. We hope that this will not be the last Ghanaian language that we use to translate the Bible for more people to read the Bible.

I want to thank them, particularly on behalf of the people of Hanga, and on behalf of the government of Ghana for what they have done and for the nice things that Geoffrey has said about the people of Ghana and the people he worked with in Ghana. We hope that God in his own way will bless this type of work and that in good time more and more people will be able to read the Bible in their own languages.

Thank you very much, Senator.

Senator ARMSTRONG. Thank you, Mr. Ambassador.

[Applause.]

Senator ARMSTRONG. Thank you, Mr. Ambassador. Thank you very, very much.

When I announced earlier the names of a number of my colleagues who have come here this morning I did not note in the room at that time my colleague from the House, Congressman Frank Wolf, and Frank, we're delighted that you could join us, and I see Lindy Boggs has arrived as well. Thank you for coming, Lindy. Good to have you with us. And my colleague, John Warner from Virginia is here. Senator Warner, we're very grateful to you for coming to be with us.

It may have crossed your mind to wonder why this program is being recorded on videotape. You might like to know that it is the intention and goal of the Bible translating organizations represented here that a videotape or an audio tape or a transcript will be made available to translators around the world so that they will know that we are thinking of them and that this occasion has occurred in their honor, on behalf of and in recognition of the work and service and testimony and lives of so many people who could not be with us here this morning.

It was our intention and hope this morning, as many of you know, to present a copy of the first translation of the Lutheran Bible Translators to the Ambassador of Sierra Leone. Unfortunately, however, the Ambassador was called at the very last minute to New York to meet the President of his country who has come to the United Nations on urgent business, and therefore it is impossible for him to be with us this morning. A copy of this translation will be formally transmitted in a ceremony later this week at the embassy.

But we are glad to have with us, at this time, Reverend Roy Gesch (?) of the Lutheran Bible Translators who will tell us about the work which they have just begun.

Reverend?

Reverend GESCH. Senator Armstrong, Senator Hatfield, Your Excellencies representing other countries, honored guests of the Senate and of the House, of the White House, and also my good friends, and Wycliffe and others who are really concerned about Bible translation, and in that I particularly also include the representatives of the United and American Bible Societies, I really do appreciate the opportunity to say a word to you, because it does give me a chance to say two things that I really would like to say.

First of all, I would like to express on behalf of our organization, and I know I am re-echoing some things that Dave Cummings and others of Wycliffe have said, and this is addressed to you, honorable ambassadors of other countries, and other representatives of other countries. We owe you so much thanks. I know that our people, for example, in the countries in which they are working, not only love and feel very close to the people who are doing the work, and I want to emphasize this. We are not doing the work. Your people are doing the work. But we have the joy of working with them.

But we also owe a tremendous debt of gratitude to your governments and to the many people who are in high places in your country who make it possible for this work to go on. We appreciate you. We thank you. And we hope that you can relay this to your countries also.

The second thing that I'm very happy to say is addressed particularly to those of you who are involved in Bible translation work. I feel a little bit as if I'm an interloper here from the standpoint that being a relatively young organization and having a first completed New Testament doesn't seem like much. And as you look and say "Lutheran Bible Translators, why in the world would anybody want a Lutheran Bible?"

[Laughter.]

Reverend GESCH. Except for Senator Armstrong and me.

[Laughter.]

Reverend GESCH. But the fact is that our organization, which began—it's getting close to 20 years ago now—it doesn't seem possible. But it also began with a realization, particularly on the part of a missionary in Nigeria and encouraged by other missionaries from Nigeria, to pursue this idea because you cannot really share the gospel of Jesus Christ unless you make it possible for people to have the word in their own language. That was the dream.

But the realization of it came about through our good friends in Wycliffe, and we must say this, that neither we nor any other Bible translation organization is a competitive organization. There is no room for competition in Bible translation. We all have the same dream, the same desire, and that is to share the life-giving word of the Lord. So, we work together.

Up until a few years ago all of our people were working on Wycliffe fields. Now we have fields of our own in West Africa. But by the same token, we are working hand-in-hand and Wycliffe and we, about every other month, we get together to discuss, to pray together, and to work so that we make sure that nobody is competing, but that we're strengthening each other and helping each other.

And so I say to all of you, on behalf of a young organization, or at least a little younger, thank you. Thank you and God bless you.

Now, I have—I think I am not exaggerating if I say this is the newest New Testament that's existing in the world today. Because I just got the first copy off the press yesterday.

[Laughter.]

Reverend GESCH. This is the Limba New Testament, and I am so sorry that Ambassador Kamara (?) could not be with us today, because he was overjoyed as he told me on the telephone last week. He said, "I speak Limba," and this is his. However, as was explained, he's in New York.

Mr. Willie Bonglo (?) of the embassy was to be here. But there is no one here from Sierra Leone Embassy, is there? Then I have the great joy of presenting a New Testament to no one today.

[Laughter.]

Reverend GESCH. I also have the sadness that we had hoped the actual translator, who happens to be in Michigan at the present time, could be here for this also. He could not.

But this is it. Thank God with us. It's the beginning of what we pray will be many also. And thank all of you.

[Applause.]

Senator ARMSTRONG. Thank you very much.

Our final speaker is Dr. Barclay Newman of the American Bible Society. The American Bible Society is the largest Bible translation and distribution, and publishing, society in the world. And to summarize their work and to talk about the future of their work is Dr. Barclay Newman. He is here today with his wife, Jean. He is a Baptist minister, a college professor who has lectured, among other places, at the University of Malaysia. He is also a translation consultant for the United Bible Society and a member of the Society for Biblical Literature.

Dr. Newman, we are looking forward to hearing from you.

[Applause.]

Dr. NEWMAN. Senator Armstrong and Honorable Ambassador, and other distinguished guests, including my wife, who got me here with a map, because I was driving, I am very happy to be here, especially after what happened yesterday. We went to Mt. Vernon, and at 4:00 o'clock in the afternoon started driving back toward Arlington, where we are staying. At 4:30 I looked up and there was the Bureau of Engraving, downtown here in Washington. We ended up a little later, getting home, than we expected.

We drove here from Springfield, Missouri. I guess most of you have heard of Missouri, but not of Springfield. Some of you may not want to admit to knowing Missouri. But in any case, they asked me there, "Does it not bother you to go up to Washington to speak to all those dignitaries?" I said, "Well, it's very much like speaking to the folks in our Baptist church here, of which I'm a member. The same people have heard the same thing for so long that no one listens anyhow."

[Laughter.]

Dr. NEWMAN. So, I hope it will be something different.

I want to emphasize two or three things. One is what was emphasized just a moment ago, and that is that in all of our translation work we need to cooperate. Within the Bible societies, ourselves, we cooperate. As a matter of fact, most of you may not know that the American Bible Society is a sister Bible society with more than a hundred other Bible societies scattered throughout the world.

And it used to be that we kind of competed. The American Bible Society did the work in the Philippines. The British and Foreign Bible Society did the work in Hong Kong. The Indonesian Bible Society was under the guardianship of the Bible Society from the Netherlands. And we found out that we were losing effort and it was costing us more than it ought to, not good stewardship of our funds.

And so we set up this program by which we cooperate within our Bible societies and have a cooperative effort that we call the United Bible Society, through which we pool our money and our resources or personnel.

Also, I think there needs to be an emphasis that was made by Brother Gesch, and that is that we cooperate not only within the Bible societies, but the Bible society cooperates with other groups of translators, the newest group, the Lutherans, and this very active group, the Wycliffe Bible Translators.

And so we need to emphasize this aspect of cooperation in order that we might get the best use of our resources and might become good stewards of our finances and of our personnel.

We are fortunate in the Bible societies to be able to work in places where other groups cannot work. For example, we have a Bible society in Burma. No one, no expatriate, can go into Burma for more than seven days at a time. But we do have a Bible society there which is active in translation work in a number of languages in Burma. Some of us who are consultants go in there for a week at a time twice a year in order to give technical help. I'll be there for a week next month.

But in the main we are working with nationals there in the Bible Society of Burma who, under their own auspices, are translating the Bible into languages in which we, as expatriates, cannot work.

We also are grateful to Ghana. We have a man by the name of Dr. Gilbert Ansre (?) who taught for a number of years at the University of Lagon, who is one of our translation consultants in the program of the United Bible Society. And I had the privilege of working with him in Ghana for the month of April—rather, it was July, last July I was there in Ghana.

And so we have, in the Bible societies, a program by which we try to cooperate and invest our funds in a way to get the most out of our personnel and our money.

We also intend to produce quality translations. For us this means the training of nationals to do the translation work. The native speaker of a language can do a much better translation work, job of translating, than any of us can. I worked on one translation project myself into this exotic language called English, on the Good News Bible. And I have worked with a number of translators, especially in Asia, in other languages, and I discover that no matter how well you may know a language, no matter how well I may speak Indonesian or Malay, there is an emotional value about a language that can be captured only by a native speaker of a language.

I remember once, in giving these lectures at the University of Malaysia, a young lady said that, "When my husband and I argue we like for it to be in English because it doesn't leave scars."

[Laughter.]

Dr. NEWMAN. Well, my wife and I can argue in Indonesian and it doesn't leave scars, until some of the Indonesians tell me what the words really mean. I told an Indonesian once I liked his wife. We were talking there. And I did not realize that the word meant, "I want your wife."

[Laughter.]

Dr. NEWMAN. So, the dictionary and the emotional value of the word meant two different things.

So, one emphasis that we are making in the United Bible Society is that we train nationals to do the work. We select them, we try to give them as much Biblical backgrounds as we can, but we are looking for native speakers of the language who are creative in their own language. And we will guide them in understanding the Hebrew and the Greek text and we will try to help them in translation principles. But they are the ones who must have the final say in what is done.

Also, in gaining quality translation, we are trying to develop a program of translation consultants throughout the world. We already have this program, as a matter of fact, but we are trying to get Asians to work in Asia, trying to get Africans to work in Africa, so that we who are not indigenous to those areas can leave and go back and produce the kinds of written help to translators that also are necessary in order to produce quality translation.

We feel like a person who is an Asian can work much better in the Asian climate than can someone who is non-Asian, no matter how well he may know the situation, no matter how adaptable he may be.

One of our best consultants, Danny Arachea (?), is a Filipino with a Ph.D. from Duke University, now working in Indonesia. He works there much better than I could because he is indigenous to the area.

So, we are trying, therefore, to develop a program of translation consultants, persons who can give linguistic and Biblical help to individuals who are working on these programs. We are far short of what we ought to be and some persons in Africa have as many as 30 language projects to oversee, and you can imagine that you cannot do very much with that.

I spent close to 10 years working very closely with one language and a number of other languages, but with one language in particular, with Malay, and also with Indonesian, I should add, in Asia. And a person working with 30 languages can do very little, and so we need more translation consultants from Africa and from Asia in particular.

And then the Bible societies, in order to obtain quality translation, is in the process of preparing a number of written helps. We prepared a technical Hebrew text, a Greek text. Also, we've prepared commentaries on all books on the Bible. We are in the process of doing that now, and that is my major responsibility, to write handbooks for translators.

We publish "The Bible Translator" which comes out quarterly, twice a year technical papers, and twice a year non-technical papers. Of course, the Wycliffe and other groups of translators publish helps in order to enable their translators to do better jobs.

And so we also cooperate at the level of these publications because we share these with others and with Wyckliffe and other groups of translators share their written resources with our translators to enable them to do a better job.

A third thing I want to say is that we are now aiming at specific communities of readers in our translation program.

One might ask, "What is the best translation in English?" Well, I have to ask another question. "For whom?" Because we are aiming our translations at particular audiences. The Good News Bible, on which I worked, was aimed at persons who are nonchurch and maybe who do not speak English as a first language. It caught on among others, of course, but that was our intention, to aim it at these people.

There are other translators which are done for scholars, other translations which are more aimed at liturgical uses. And then we're working on a childrens' Bible which I find more difficult than anything else. We need a child translator, but there's some difficulty in developing a good child translator.

I'm almost to the point of senility but I don't know if that will qualify me to work on that or not, going into my second childhood.

So a translation for children is still a different kind of translation.

One program that we have that's a very active program, especially in Africa, is a translation program for new readers, in which we are supplying scripture, sometimes in conjunction with governments, in order to teach people to read, and they learn to read by having in their hand attractive publications of scripture at a level that they can understand, that adults can read in these literacy programs.

And so we are aiming our translations at different levels of people, at different audiences, so that everyone may have the word of God in their language. And I don't want to fail to emphasize what I have been asked to emphasize, and what has already been emphasized, that there are between 2,500 and 3,000 languages in which translation work has not been done before. The Bible Society at present is working in some 574 languages. this last year we published complete Bibles in two languages, which had never before had Bibles published in those languages, 34 New Testaments, which have never had New Testaments, and over 20 languages. We have published books which never before have had books in those languages.

The intention, the major thrust, of our translation, at present, is to translate in what we call a common language, a language which is not looked down upon by the educated, but yet which can be read by persons who know a—have a minimum amount of education. And so we are aiming at wide audiences and at specific audiences as well.

I think our aim ought to be that of Martin Luther, if you don't mind a Baptist quoting a Lutheran. And that is when we translate we "Want to make Moses sound so German that no one would believe he was a Jew."

[Laughter.]

Dr. NEWMAN. We want to translate the Bible in such a way that everyone would say, "Well, God must speak my language. The Bible must have been written in my language originally. This doesn't sound like a translation. This sounds like God speaking my language to me, here and now."

Thank you very much.

Senator ARMSTRONG. Thank you very much.

[Applause.]

Senator ARMSTRONG. Thank you very kindly.

My colleagues, a vote is in progress on the floor of the Senate. Someone from my office has called to let them know that we will be leaving here in one or two minutes. And let me explain, friends, that Senator Warner and Senator Jepsen and I are going to duck out the door just almost instantly because a vote on the war powers measure is occurring and it had been my plan and hope to stay and chat, but when this program ends in about 90 or 120 seconds, we must excuse ourselves.

Finally, before we close in prayer, I just want to say that there are a lot of people who have had a big part in making this event possible this morning. I do not know who all of those people were. I do know that Ed Davis, Ron Gluck, Dave Witmer, and Brian Waidmann had a lot to do with it, and gentlemen—and others whose names we may not know, or at least are not known to me—we are very grateful to you.

To close us in prayer, I'm going to call a dear friend of mine, the senior senator from Iowa, to come forward, He's an authority on agriculture matters, but that is not why I've asked him to close us in prayer. He is an expert on military affairs, particularly those related to military personnel. But, of course, that's not why I've asked him to come forward.

I've asked Roger Jepsen to close this meeting in prayer, recalling the promise of scripture that the prayer of a righteous man availeth much. And Roger walks very close with the Lord. Would you come and close us, Roger?

Senator JEPSEN. Let's bow our heads.

Father, we adore you. We lay our life before you. We love you. We thank you for your son, our savior, Jesus Christ, who you gave to the world so that all of us might have everlasting life.

And Father, and we call you Father because we are your children, we thank you for letting each of us come to you just as we are, and we thank you for the strength that you give us to serve you in meeting the responsibilities that each of us have. Forgive us if we childishly look the other way sometimes, thinking that we accomplish these things all by ourself.

Lord, bless us as we leave here today and go our separate ways, and we ask a special, special blessing on Geoffrey and Rosemary Hunt, and all those who give of their talents and their work so that people of all nations may come to know and serve you.

And now all glory be to God, who by his mighty power at work within all of us enables all of us to do much more than we ever did ask or even dream of, infinitely beyond our highest hopes and thoughts and desires. Amen.

Senator ARMSTRONG. Thank you, ladies and gentlemen. Thank you for coming to be with us today.●

STRATEGIC MYTHS MISLEAD REAGAN ADMINISTRATION

● Mr. KENNEDY. Mr. President, one of the continuing concerns about the Reagan administration's arms control policies, as well as its foreign policy in general, is whether it has an accurate perception of the threat posed by outside forces to the United States. The difficulty of seeing events as they actually are, not just as one thinks they are, is a serious problem for decisionmakers. This is particularly true when basic conceptions are inaccurate.

In a recent article in the Washington Post, Alton Frye, Washington director of the Council of Foreign Relations, and a valued adviser to many of us in the Senate, describes convincingly the present administration's inaccurate assessment of the strategic position of the United States. Despite President Reagan's stated desire to achieve meaningful reductions in nuclear weapons, his administration's misperception of the true strategic situation reduces the chance for those reductions. I ask that Dr. Frye's important article, "Strategic Myths Mislead Reagan," appear at this point in the RECORD.

The article follows:

STRATEGIC MYTHS MISLEAD REAGAN

WRONG ASSESSMENTS OF OUR STRENGTH LEAD TO BAD POLICIES

(By Alton Frye)

"It ain't what a man don't know that makes him a fool, but what he does know that ain't so." Josh Billings' insight, spoken in the last century, endures. Misinformation is often more dangerous than ignorance, especially when it comes to the great issues of state.

Mistaken notions and incorrect data are troubling in any realm of policy, but they are especially pernicious in cases involving the nation's security. Policy makers may not be able to filter out the dubious claims and spurious numbers which are commonplace in debates on national security. They are vulnerable to the selective use of evidence chosen to play upon their predilections about defense issues.

These potential problems have become real in the Reagan presidency. Neither the president nor his senior colleagues came to office with significant backgrounds in defense policy. There is reason to worry that they have been systematically misinformed on key issues which have shaped the scale and direction of the administration's national security posture.

Ronald Reagan has been a victim of his administration's penchant for assertions which, it turns out, "ain't so." Consider three themes advanced by various officials to support the administration's strategic weapons programs:

U.S. strategic forces are many years older than Soviet strategic forces. Secretary of Defense Caspar Weinberger has stated as "simple fact" that "we haven't done any strengthening or any modernization of our strategic systems virtually since they were built."

Soviet strategic forces pose a vastly greater threat to U.S. forces than the United States poses to the Soviets. Weinberger told Congress in May that ". . . at the heart of the current U.S.-Soviet strategic force imbalance is the Soviet monopoly of prompt hard target kill capability."

The United States has drastically and unilaterally reduced its nuclear capabilities over the last 20 years. "Ironically," says Assistant Defense Secretary Richard Perle, "it's been roughly a two-for-one buildown"—i.e. two warheads were eliminated for every new one deployed, he claimed.

Each of these assertions is marshaled to buttress the claim that the United States must modernize its strategic forces rapidly. Unfortunately, each is either wrong or utterly misleading. The valid case for force modernization rests on more measured premises.

American strategic weapons are hardly so ancient or obsolescent as some aver. At West Point recently, a Defense Department official evoked sharp criticism when he declared that "three-fourths of U.S. warheads are on systems that are 15 years old or more." That same line recurs in current interdepartmental analyses of strategic arms control options. It is a dreadful distortion.

Most U.S. strategic weapons are now deployed on ballistic missiles. Of the 7,000-8,000 warheads those missiles can carry, less than 500 are on missiles 15 years old or older (the Minuteman II and Titan II). The 550 Minuteman III missiles (1,650 warheads) were deployed from 1970-1975, as were the 304 Poseidon seabased missiles (3,040 warheads). Furthermore, some Minutemen III were built as late as 1978, with new guidance and warheads installed on 300 missiles in the late 1970s. The Trident missiles in the late 1970s. The Trident missiles (264 boosters with 2,112 warheads) began to enter service in 1979 and are currently in production.

Thus, most U.S. strategic weapons (about 6,800 warheads) are mounted on missiles from one to 13 years of age—thousands on missiles five years old or less. The newest Minuteman III and Poseidon are about the same age as the oldest SS-17, SS-18 and SS-19 missiles which carry the bulk of Soviet warheads. And our confidence in the longevity of these missiles is well placed. The Air Force has just successfully fired a rocket motor from a Minuteman I built in 1963 and decommissioned in the mid-seventies. We need not disparage our forces in order to recognize that Soviet weapons are indeed modern and dangerous.

Exasperated with Weinberger's erroneous description of the age of U.S. missiles, strategic analyst Richard Garwin says: "It's incredible that a business executive [as Weinberger used to be] would tolerate in his staff . . . persons providing demonstrably wrong information for his public speeches and presumably for his program decisions."

The thesis that the Soviet have a far greater ability to strike our missiles in their silos than we have to strike theirs also requires qualification. Under plausible assumptions, Soviet missiles could destroy virtually all the U.S. strategic missiles based in silos. But those silos hold less than one-fourth of U.S. warheads, meaning that the Soviets would still face retaliation from the overwhelming forces at sea and on aircraft. This is why the Scowcroft Commission—whose main findings the administration embraced—said we ought not worry to much about the once-trumpeted "window of vulnerability," because we have many more weapons than the land-based missiles that some analysts put in that window. In reality, because we have more balanced strategic forces, the United States is far less vulnerable to a "counterforce" strike (an attack on enemy weapons systems) than the Soviet Union.

According to the North Atlantic Treaty Organization's official comparison of NATO and Warsaw Pact forces, we have a potent capability to attack Soviet forces. NATO credits the present Minuteman III force with the capacity to destroy over 800 "hard targets" (missiles in silos). The Soviet Union has concentrated well over 5,000 warheads in fewer than 800 ICBMs. Thus, even without the MX missiles, NATO data show that the United States already holds hostage a larger number of Soviet warheads—over 60 percent of their total force—than the Soviet Union threatens by placing American land-based missiles at risk. (Those missiles carry about one-fourth of total American warheads.)

Testimony by the Joint Chiefs of Staff indicates that the United States already has rough parity with the Soviet Union in overall capacity to attack hardened targets, although it has only about one-third the Soviet ability to strike such targets quickly.

Some analysts argue that NATO overstates present U.S. capabilities—maybe our missiles aren't quite so accurate and Soviet silos are harder than ours. But even if the NATO calculation were in error by a factor of two, even if the United States could destroy only 400 silos, the conclusion holds: Soviet warheads are more vulnerable in absolute and percentage terms than are U.S. weapons.

Marshal Nikolai Ogarkov, the Soviet commander has not missed the point. There are clear signs that he and his colleagues are trying to move toward a less vulnerable posture in the coming decade. Ambassador Edward Rowny has said that he detects keen Soviet interest in moving toward deployment of smaller, mobile ICBMs. The awareness that both sides have serious vulnerabilities could be a crucial advantage in mapping a mutually acceptable path toward more survivable and stable forces. But neither military planning nor diplomacy benefits from the myth that the United States is worse off than the Soviet Union when it comes to land-based missile vulnerability. The Soviets are in comparable jeopardy, and they know it.

One also needs to dissect the contention that the United States has made major cuts in forces over the last two decades. That is absolutely untrue with regard to strategic offensive forces. While many nuclear warheads for air defense systems, theater forces and similar weapons have been retired by the United States, both Soviet and American strategic offensive forces have acquired thousands of additional warheads. Since 1968, Soviet offensive warhead totals quadrupled from about 1,800 to over 8,000; U.S. totals have more than doubled from about 4,000 to around 10,000. Current modernization progams on both sides could move each country to 15,000 or more strategic warheads in the early 1980s.

Partly because they deal with technical and complex issues, these three false assertions have received little critical appraisal. Such contrived figures and arguments appear in many administrations. They stem not from malice but from understandable pressures to dress up the case, to put the best face on favored policies. Yet sound policy requires more than mere debating points.

How might the president react to this challenge to the evidence on which the administration is basing its strategic programs and arms control proposals? He could ignore it, denounce it, rebut it—or he could welcome it as a caution to scrutinize more closely information he receives from subordinates.

In particular, the president should ask whether the administration is actually meeting his oft-repeated pledge to seek deep reductions in strategic forces. On April 17, 1982, Reagan declared that "It must be the objective of any negotiations on arms control to reduce the numbers of nuclear weapons." In February 1983, he reiterated "our willingness to seek reduction to sigificantly lower levels of nuclear forces based on equal, balanced levels of comparable systems."

Yet, Congressional Budget Office studies indicate that, even if the Soviets accepted the American proposals at the Strategic Arms Reduction Talks, the United States would have more strategic nuclear weapons in the 1990s than it has today. The dramatic cuts called for in missile-borne weapons—where the Soviets have most of their warheads—would be more than offset by the massive expansion planned for U.S. bomber weapons. Such proposals directly contravene Reagan's commitments to the nation as candidate and incumbent. And many of his own associates admit privately that the proposals are non-negotiable.

Perhaps, as congressional leaders are urging, President Reagan will see merit in broadening his circle of advisers, relying more on retired Gen. Brent Scowcroft, chairman of the strategic forces commission, and other independent figures.

In his eloquent address to the United Nations on Sept. 26, Reagan made the "unequivocal pledge" to seek and accept "any equitable, verifiable agreement that stabilizes forces at lower levels than currently exist." To devise—or even to recognize—such an agreement requires precise and judicious analysis.

Knowing things "that ain't so" serves neither the president's nor the nation's interest.●

SOVIET SALT VIOLATIONS—U.S. UNILATERAL BUILD-DOWN

● Mr. SYMMS. Mr. President, I ask that an article entitled "The Soviets Are Violating Arms-Control Accords," by Edgar Ulsamer, Air Force magazine, October 1983, be printed in the RECORD. This article is a very good summary of the status of the Soviet SALT violations and I wish to make it available to all my colleagues. The article contains several important quotations from my distinguished colleague, the senior Senator from Idaho, JIM MCCLURE. Senator MCCLURE, Senator HUMPHREY, Senator GARN, Senator JEPSEN, Senator HELMS, and myself have been in the forefront of exposing Soviet SALT violations as threats to American national security.

I also ask consent that another Air Force magazine article also by Edgar Ulsamer from the October edition, entitled "Early Retirement for B-52G," be printed in the RECORD. This article shows how the United States is continuing its unilateral build-down of strategic forces.

[From the Air Force magazine, October 1983]

THE SOVIETS ARE VIOLATING ARMS-CONTROL ACCORDS

(By Edgar Ulsamer)

At President Reagan's behest, the National Security Council is reviewing the Soviet track record of compliance with all major arms-control and other pertinent international accords. The findings of this comprehensive analysis are bound to have broad impact on the country's defense program and arms-control policy.

The National Security Council's review is to summarize Moscow's general performance with regard to creating and exploiting loopholes, willingness to breach treaty pro-

visions either blatantly of subtly, and prowess in tilting the terms of treaties toward long-term unilateral advantages. The process is likely to be drawn out, to result initially in several individual reports clustered around specific issues, and to culminate eventually in a central document.

The overall conclusions are to serve as a guide through the mine-fields of negotiating with the Soviets, such as in the START (Strategic Arms Reduction Talks) and INF (Intermediate-range Nuclear Force) talks under way in Geneva. Two of the key areas the analysis is to illuminate are verifiability and enforceability. Obviously, evidence of circumvention or violation of treaty provisions that can't be documented in unassailable fashion tends to generate discontent and media attention. Similarly, treaty provisions that mean one thing to the Soviets and another to the United States are bound to impinge on this country's national security interests and polarize public opinion about the merits of arms control.

The primary fallacy that has shaped US views in the past concerning strategic arms-control accords is that they are essentially self-enforcing, meaning that the consequence of any significant violation would be so severe that a potential transgressor is automatically deterred. Arms-control experts in Congress and the executive branch suggest plausibly that the weight of the evidence confirms the reverse: There is considerable bias within the US governmental structure against finding the Soviets guilty of violating arms-control accords, even in instances where the evidence is reasonably unambiguous concerning Soviet noncompliance.

Fostering this bias is the fact that once an administration has—on the basis of substantial evidence—charged the Soviets with a violation, the American people understandably expect their government to take corrective action. Yet the mechanism for response and the nature of the responses open to the US discourage rather than encourage such action. As a result, the decision to level a charge of noncompliance against the Soviets has been extremely difficult, painful, and, hence, rare.

SALT LOOPHOLES

As assistant Secretary of Defense for International Security Policy Richard N. Perle recently told this writer, the main difficulty is that past accords are riddled with loopholes and ambiguities. Concomitantly, Soviet behavior that the US finds inconsistent with bilateral arms accords is usually defended by Moscow as being consonant with the accords because of the loopholes its negotiators succeeded in weaving into the treaty language.

Mr. Perle complained that, as a consequence, the Soviets assert that these ambiguous provisions permit them "to go forward with programs that we thought they would terminate when the agreements were signed. It's not a neat set of rights and obligations against which one can [evaluate] Soviet behavior."

In spite of the obvious dilemma that results from the fact that whenever the US wants to go to the mat with the Soviets over their violations of arms-accord treaties, the Russians pull the rug out from under the US agrumentation, the Administration has requested a special session of the SALT Standing Consultative Commission (SCC). The senior US member is Gen. Richard Ellis, USAF (Ret.), who holds the rank of ambassador. Purpose of the SCC's special session, according to Sen. James A. McClure (R-Idaho), is to "discuss probable Soviet non-compliance with the SALT II treaty and also with the SALT I treaty."

The two key issues the US plans to air, according to a formal letter by the Idaho Senator to President Reagan, are the new Soviet PL-5 ICBM and the "new Soviet ABM [anti-ballistic missile] battle management radar."

Terming the new Soviet radar "the most flagrant Soviet SALT violation yet," one that runs afoul of as many as five provisions of the SALT I ABM Treaty, Senator McClure requested both the President and the Senate leadership "to arrange for the Vice President to conduct a special briefing of the entire Senate in closed session as soon as possible so that the Senate can be [made] aware of the evidence of Soviet SALT violations and your intended course of action in dealing with these grave threats to US national security."

Senator McClure charged on the floor of the Senate that the new Soviet ABM battle management radar system is located some 500 miles north of the Mongolian border and, in clear-cut violation of the ABM treaty, is "pointed inside the USSR toward Alaska, rather than outward toward the nearest border." That treaty prohibits the deployment of radars "for early warning of strategic ballistic missile attack except at locations along the periphery of [its signatories'] national territory and oriented outward."

The Idaho lawmakers told the Senate that "large radars of the battle management type are clearly the long-term element of an ABM system [that, with the exception of one site, the treaty prohibits]. They are the basis for a Soviet breakout from the ABM treaty, together with the following interceptor missiles: the SAM-5, SAM-10, and SAM-12, all tested illegally in an ABM mode, and the ABM-3 missiles and radar, which are illegally mobile."

Two years ago, the Joint Chiefs of Staff warned in their Military Posture Statement that "Soviet phased-array radars, which may be designed to improve impact predictions and target-handling capabilities for ABM battle management, are under construction at various locations throughout the USSR. These radars could perform some battle management functions as well as provide redundant ballistic missile early warning coverage. The first of these radars is expected to become operational in the early 1980s."

Senator McClure argued that the five or six ABM battle management radars now in operation "constitute a base for an ABM defense of the territory of the USSR. Moreover, when coupled with SAM-5s, SAM-10s, and SAM-12s in an ABM mode, and with the mobile ABM-3 now reportedly in mass production and being deployed around Moscow, it can be argued that the Soviets already have more than a base for nationwide ABM defense."

In spite of its size—its transmitter building is almost 500 feet long and 300 feet wide—the new Soviet ABM radar has been under construction for about a year before a US satellite was able to spot it after US intelligence received clues about its existence and location. The new system resembles closely large ballistic missile tracking radars undergoing test elsewhere in the Soviet Union and, in the view of US intelligence analysts, closes the gap in coverage against this country's ICBMs and SLBMs targeted against eastern Soviet territory. Combined with existing Soviet radar capabilities, this new network provides the USSR with a solid foundation for a comprehensive ABM system.

The White House has let it be known that a senior-level verification committee is reviewing Soviet ABM activities along with other acts that put in question Soviet compliance with existing treaties.

A PATTERN OF SOVIET INFRACTIONS

Among other indications of Soviet violations of existing treaties known to be of concern to the White House are tests of a new ICBM on at least three occasions this spring. The design characteristics of this missile, in concert with those of another new ICBM—the SS-X-24—tested in October 1982, suggest strongly a Soviet violation of SALT.

As Secretary of State George P. Shultz recently told the Senate Foreign Relations Committee, Moscow continues "the practice of stretching a series of treaties and agreements to the brink of violation and beyond. The Soviet Union's infringement of its promises and legal obligations is not confined to isolated incidents. We have to express our concerns about Soviet infractions on one issue after another—human rights and the Helsinki Final Act, 'yellow rain,' and biological warfare. We are becoming increasingly concerned about Soviet practices—including the recent testing of ICBMs—that raise questions about the validity of their claim of compliance with existing SALT agreements. Little else is so corrosive of international trust as this persistent pattern of Soviet behavior."

US intelligence analysts, according to Administration spokesmen, are "convinced by detailed, independent, and scientific analysis of evidence that the Soviets are using chemical and toxic weapons in Afghanistan and are involved in their use by Vietnamese and [Laotian] forces in Southeast Asia in violation of human rights, international law, and existing arms-control agreements." Secretary Perle affirmed that there is not the slightest doubt about the use of Soviet chemical and biological weapons in Southeast Asia and Afghanistan in "which thousands of people have been killed." The use of these chemical and toxin weapons in Laos dates from the mid-1970s, in Kampuchea from 1978, and in Afghanistan from 1979. The 1925 Geneva Protocol prohibits the use of these weapons, and the 1972 Biological and Toxin Weapons Convention prohibits possession, as well as use, of toxin weapons. The USSR is a signatory of both agreements.

US diplomatic efforts to dissuade the Soviets and their allies from further use of these outlawed weapons have remained singularly unsuccessful. Other efforts by this country to gain Soviet support for an effective, comprehensive ban on chemical weapons have also been rebuffed so far.

ICBM VIOLATIONS

Discussions with the Soviets about the legality of the PL-5ICBM involving diplomatic channels rather than the sluggish SCC, not too surprisinlgly, have only produced the claim that this ICBM is permissible, Secretary Perle said. The Soviet contention is seemingly that the PL-5 represents a derivative of an authorized new missile and hence is covered by the provisions governing such modifications. This tactic, he intimated, is in line with the traditional Soviet habit of sidestepping U.S. cmplaints about Russian treaty violations by stocially asserting that "everything [we] are doing is in full compliance with [our] obligations." He

added that "it takes forever to get a reply from them. I would guess that the average time that an issue is under SCC consideration comes to between two and a half and three years."

He acknowledged that, in the case of the PL-5ICBM, the U.S. does not yet have the total picture in terms of how the Soviets plan to deploy the weapon, and other ramifications. In this context, he complained about U.S. media proclivity to ferret out intelligence information extremely rapidly and the subsequent "degradation in some important techniques of intelligence collection." The result, he explained, is "that the Soviets have learned what we collect, what use we make of it, and how rapidly we get and analyze" such intelligence information.

The ambiguities of SALT II, in Secretary Perle's view, exceed the worst fears of those who warned against them at the time the treaty was being negotiated. Saying that four or five new Soviet missiles are under development, he predicted that a "whole new generation of Soviet ICBMs will be exploiting the SALT II loopholes." The U.S. SALT II negotiators had through the accord's language permitted the deployment of only one new ICBM.

A related area of possible Soviet noncompliance with SALT II, he told this writer, involves the encryption of telemetry data produced during Soviet ICBM test flights. SALT II stipulates in a curious way that neither side will encrypt telemetry data the other side needs for verifying compliance with the accord's provisions. It seems hard to envision Soviet, or for that matter even US, rectitude sufficient to abstain from encrypting information that documents a violation of the accord. Heightening the absurdity of this "honor code" is the fact that certain test flights involve only self-contained data, meaning there is no telemetry the other side can listen in on.

The Soviets have been encrypting their ballistic missile tests, approaching "in some cases 100 percent," according to Secretary Perle. Consequently, the US has in effect been deprived of information "we need in order to evaluate Soviet compliance" with key provisions of the SALT accords. Encryption leads to one of the principal ambiguities "that trouble us with regard to the build-down proposals" that have been espoused by influential elements of the Senate.

THE BUILD-DOWN ISSUE

Early in August of this year White House National Security Advisor William P. Clark reported to Sen. Larry Pressler (R-S. D.)—in response to a Senatorial mandate—about "our ongoing assessment of how we could implement the build-down concept in the US START proposals." Explaining that the concept of a "guaranteed mutual build-down has been the subject of intensive interagency study," Judge Clark said that "our detailed technical work is essentially complete. We have now begun the process of developing specific recommendations." He promised that the Administration's recommendations concerning how a mutual build-down could be entwined with START would be made available to the Senate by the time that body holds hearings on this subject in mid-September.

The build-down concept was germinated early in 1983 by Senate Resolution 57, which called on the US and the USSR to agree—while START is being negotiated—to dismantle two warheads for every new one they deploy. Sponsored by Sens. William S. Cohen (R-Me.) and Sam Nunn (D-Ga.), along with forty-three other members of the Senate, Resolution 57, as first conceived, was flawed seriously because it seemed to make little allowance for the fact that the Soviets are close to completing a stem-to-stern modernization of their ICBM force while the US force is approaching obsolescence. Hence the Soviets could wait years to start their build-down, while the US could not.

Since then the concept has matured to what its principal sponsors call "bounded flexibility," meaning the option to use variable build-down ratios consonant with fundamental US START objectives, such as a general reduction in the two countries' nuclear arsenals to 5,000 warheads. As Secretary Perle told this writer, the US over the past fifteen years has dismantled roughly "two older nuclear weapons for each new one we deployed." The Soviets responded to the US build-down by building up, however. As a result, the Administration is chary of any "mechanistic two-for-one build-down measure," he said, and instead is looking for ways to implement the spirit of build-down mitigated by "flexibility, variable ratios, floats, ceilings, and the like."

Senator Cohen, claiming that a coalition extending from longstanding proponents of strategic force modernization to strong supporters of the nuclear freeze favors build-down, recommends that "to assure negotiability of the principle, each side should be free to deploy its new warheads on launchers of its own choosing, and to retire older warheads on launchers of its own choosing, subject to previously negotiated strategic restraints."

The sponsors of the build-down resolution envision also that each side would build down under agreed ratios until it reaches a negotiated floor at which it would hold until the other side reaches the same "plateau." The build-down would then resume. The sponsors also claim that their build-down "would not undermine the US START position. Indeed, it would be wholly consistent with reduction ceilings [such as President Reagan's proposed] cut in ICBM and SLBM warheads to 5,000 on each side. The build-down floor might include that number plus a suitable allowance for warheads ascribed to other strategic launchers."

BUILD-DOWN AND MODERNIZATION

Clearly one of the most contested aspects of the build-down concept is the possibility that the Soviets might defer modernization—assuming of course that they would sign a build-down accord in the first place—to avoid having to reduce their nuclear arsenal. Senators Cohen and Nunn argue that if the Soviets chose to stand still, "they would then not add the thousands of new warheads" that the US intelligence community reports are programmed for deployment in the coming years. Senator Cohen believes that "it is most improbable that the Soviet leaders would direct their military to suspend development and deployment of the *Typhoon* submarines and the SLBMs [they carry], the new Blackjack bomber, and the two new ICBMs reportedly already being tested."

The sponsors of Resolution 57 claim further that "because the Soviets have a great number of single-warhead SLBMs and a relatively small bomber force, their ongoing modernization programs would have to induce substantial reductions in their existing ICBM force." This assumption is based on the Senators' belief that "each *Typhoon* submarine added to their fleet would require elimination of 360 warheads—more than the total number of warheads on all existing *Yankee I*-class submarines. After the first 1,000 or so new warheads added by the Soviets, each additional warhead would require reductions in their existing MIRVed ICBMs—the forces of greatest concern for stability."

Citing as supporters of the build-down concept President Reagan; Gen. David C. Jones, USAF (Ret.), the past Chairman of the Joint Chiefs of Staff; the present and most recent Under Secretaries of Defense for Research and Engineering, Dr. Richard DeLauer and Dr. William Perry; and the past USAF Deputy Chief of Staff for Research, Development and Acquisition, Lt. Gen. Kelly Burke, USAF (Ret.), Senator Cohen told the Senate Foreign Relations Committee that the "concept should be looked at as a complement to but not a substitute for START."

The mechanism for negotiating a build-down, the sponsors believe, should be a U.S.-Soviet working group meeting in Geneva that reports to the START delegations. Once this group has agreed on a build-down, the proposed accord should then be forwarded to Washington and Moscow for ratification. Once in effect, it would serve as an interim measure while negotiations proceed on the broader and more complex START agreement.

While it is possible to question the merits of a build-down as a prelude to START—especially Soviet willingness to participate in such an exercise—there is little doubt about the importance of this concept to the shaky coalition that has so far kept the strategic force modernization program, especially MX production, alive in Congress.

Typical of the quid pro quo character of the issue was this statement on the floor of the Senate by Senator Cohen: "I do not intend to permit the build-down to become a meaningless link in the process of procuring the MX missile. In this regard, without a clear and constructive formulation of a build-down proposal by the Administration, I do not intend to continue supporting the MX program." Strangely absent from this kind of reasoning is consideration of the need to modernize the U.S. strategic deterrence forces in the face of age creep and the massive, steady growth in Soviet capabilities.

ON THE ROAD TO START

The head of the U.S. START delegation, Ambassador Edward Rowny, reported at the end of Round IV of the negotiations early in August that the U.S. had tabled a complete treaty text that shows maximum flexibility. He explained that "reducing the warheads of each side by about a third to 5,000 remains the central element of our position. We are also determined to reduce, over time, the three-to-one Soviet advantage in nuclear destructive capability and potential. Our goals are two-fold: deep reductions and a more stable strategic relationship."

The new U.S. approach, he said, meets the two main complaints lodged previously by the Soviets: "That we were prescribing how the Soviets must restructure their forces and that we were not being comprehensive—that is, not including from the outset all our strategic forces." While there have been suggestions that the Soviet position as of late has shown some "give," there are questions about whether this represents atmospherics or substance.

A key point here is that the Soviets have backed off from their original demand that

the US hold the deployment of Trident submarines to four boats. This "concession" is probably not too significant since the US never took this demand seriously and considered it a transparent tactical move designed for negotiating leverage. The US plans to deploy at least fifteen Trident SSBNs and treats them as replacements for older boats.

In Secretary Perle's view there has not, as yet, been any "significant movement" by the Soviets so far as the principal START issues are concerned, with their basic position revolving around the general SALT II structure. The latest Soviet proposals are somewhat below the SALT II levels, he said, but still too high in terms of what the US considers stabilizing reductions.

"We believe a useful, stabilizing agreement can be reached [involving substantially lower levels of weapons], in particular lower levels of accurate high-yield ICBM warheads," he stressed. While the US originally favored a two-phased approach to START, Secretary Perle explained, the emphasis is now on a single-phase accord in order "to speed up the negotiations."

Press reports to the contrary, neither the US nor the Soviet Union favors combining the START and INF negotiations at this time, he said.

The question of how to bring about a reduction in total usable yield, or throw-weight, of the arsenals of the two sides continues to divide the US experts. One group, which includes Secretary Perle, favors setting a specific, discrete thrown-weight limit, while other members of the interagency group setting START policy prefer to control throw-weight by setting limits for the various categories of delivery vehicles that carry nuclear warheads.

The issue is being argued with "emotional fervor" by both sides even though there is a common goal, a sharp drop in the number and yield of strategic nuclear weapons. He said that "I see no reason why we should not limit throw-weight directly—so many kilograms on each side distributed as one likes."

The other way is to set numerical limits for various delivery systems and "when you add it all up it produces a throw-weight limitation that is essentially the same," he explained, adding "it really isn't the big issue that it's being made out to be and it certainly should not cause people to divide along ideological lines. It's a technical question but, like other arms-control questions, it elicits inexplicable emotions."

While both the US and the Soviets are chary of discussing their various proposals and counterproposals in detail at this time, the White House has disclosed certain basic elements of the US position. These include that "the US will continue to propose constraints that indirectly get at the throw-weight problem, while making clear to the Soviets our readiness to deal directly with destructive capability, if they prefer."

While stressing the importance of reducing ballistic missile warheads, the US START proposal "also calls for reductions in heavy bombers to equal levels and for limitations on the number of air-launched cruise missiles carried on heavy bombers. Thus, the US START approach would lead to comprehensive reductions in all three elements of the US and Soviet strategic arsenals."

The START negotiations will resume this month.

[From the Air Force Magazine, October 1983]

EARLY RETIREMENT FOR B-52G

(By Edgar Ulsamer)

WASHINGTON, D.C., September 1.—The Defense Department's central arbitrating body, the Defense Resources Board (DRB), has ordered the phaseout—effective in 1988—of all B-52G models from the country's strategic nuclear, or SIOP (Single Integrated Operational Plan) forces. The Air Force has recommended retention of the some ninety aircraft involved until the Advanced Technology Bomber (ATB), known also as Stealth, enters the operational inventory and pick up some of the slack.

Prompting the DRB's decision was an immediate cost saving of several hundred million dollars resulting from not modifying the G models to the extent originally planned. The impact of this accelerated phaseout on the SIOP force level is major, especially since it compounds the effect of the previously announced retirement of the Titan ICBMs.

The ninety Gs are designated ALCM (air-launched cruise missile) carriers, with each aircraft nominally carrying twelve missiles. The result is the elimination of 1,080 ALCM stations. The scrapping of these aircraft will not impinge on the transfer of sixty-one other B-52Gs to SAC's Strategic Projection Force (SPF) and their availability for conventional warfare missions.

The DRB's insistence on retiring the ninety B-52Gs was based in part on earlier Air Force willingness to drop these aircraft from the SIOP inventory in the late 1980s. At that time, however, the Air Force expected that 200 MX ICBMs would be deployed. Since then that number has been scaled back to 100 missiles.

Also, the B-1 program, as currently structured, calls for the acquistion of no more than 100 aircraft. These strategic bombers are to be augmented by around 125 ATB's that should enter the inventory in the early 1990's. Because of these schedules, the Air Force had planned to retain the B-52Gs, along with the Hs, until a significant number of Stealth bombers became operational.

Meanwhile, the just-released Senate/House Conference Report contains an ironclad prohibition against diverting any funds earmarked for the ATB program to any other purpose. The implication is that the conferees enjoin the Defense Department and the Air Force in the FY '84 authorization bill from siphoning off funds from ATB to expand the B-1 program.

Sen. Sam Nunn (D.-Ga.), along with other prominent Democrats in Congress, has expressed concern that the sheer momentum of the B-1 program will lead to a production run in excess of 100 aircraft and deferral of the ATB. As the Georgia lawmaker recently claimed, the B-1 program, as presently structured, reaches a peak production of forty-eight aircraft—involving a work force of about 60,000—in 1986, its last year.

Explaining that "I know something about human nature in Congress," Senator Nunn suggested that there "isn't any way in the world that you are going to shut down that production line flat out—from forty-eight to zero." Even though in reality the forty-eight aircraft entering production in 1986 would not be completed for several years thereafter—and hence the B-1 work force would remain on the job correspondingly—Senator Nunn and many other members of Congress claim that the schedule and structure of the B-1 program—especially its multiyear procurement feature—stack the deck against the ATB: "We may or may not build the ATB, but I don't think it a coincidence that the B-1 production is geared like it is. We are making fateful decisions right now on ATB, and if the decisions the Senate has made so far stick through the appropriations process, then I think the changes of the ATB go down, no matter how good the technical data might be."

Senior USAF personnel recently briefed a group of Senators on the status of the ATB program under top-secret conditions to allay their fears that the Defense Department and the Air Force were pursuing the project at less than an expeditious rate. Senator Nunn told this writer afterward that the evidence presented indeed indicated that the Air Force was pursuing the ATB program vigorously and without favoritism toward the B-1. Nevertheless, the political facts of life militate against the ATB, he claimed.

NEW STRATEGIC PENETRATION AID REQUIREMENTS

The concept of "salvage-fuzing" nuclear warheads is getting a second hearing. The notion of equipping penetrating nuclear weapons with sensors that cause them to detonate in the face of otherwise disabling action by the enemy's nonnuclear or nuclear defenses is far from new. The reason why it might make sense to cause the warheads of ICBMs, SLBMs, and cruise missiles that are about to be intercepted by a defender to explode with full force is that in doing so they can cause grave damage to the defender's ground-based sensors and command and control system.

Rather than "wasting" the warhead that the defense is about to put out of commission, the weapon might deal a mortal blow to the radars and other "soft" elements of the enemy's strategic defense systems.

In the past, both the US and the USSR have shied away from deploying salvage-fuzed weapons—at least so far as is known—because of two potential drawbacks. For one, the salvage-fuzed weapon might cause fratricidal effects on the attacker's other warheads that were arriving in the same area at about the same time. Another problem might ensue if the defender succeeds in causing the salvage-fuzed warhead to go off at a point and time of his choosing. Sophisticated sensor technologies can probably prevent this from happening, especially if contact fuzes are used that simply react to the impact of a nonnuclear interceptor.

The advantage of such an approach is especially pronounced in the case of air-launched cruise missiles (ALCMs) that penetrate the defender's territory at low altitude and, therefore, preclude him from intercepting them by nuclear means. In the case of ICBMs and SLBMs, it might be possible to send in salvage-fuzed warheads as "precursors" to disable the ballistic missile defenses (BMD) or disrupt the command and control system, thereby paving the way for the main attack. Careful timing might avoid fratricide. There are indications that the Soviets—who in contrast to the U.S. rely heavily on strategic defenses—are quite concerned about the possibility of the U.S. deploying salvage-fuzed weapons since they, in effect, represent a special form of penetration aid.

Because of mounting concern about growing Soviet strategic defense capabilities, including putative violations of the SALT ABM accord, the Pentagon is examining the potential for a wide spectrum of penetration

aids. As the result of studies of Soviet ABM capabilities that in turn prompted the so-called Scowcroft Commission on Strategic Forces to delve into this issue, the Defense Resources Board has just arranged for a joint Air Force-U.S. Navy study of advanced penetration aids.

While OSD originally wanted to include MaRVing (maneuvering reentry vehicles, which avoid interceptors by descending in corkscrew or other irregular fashion on their targets) in this study—and eventually to develop them on a joint basis—the services insisted on confining their work to various types of decoys. The services feared that a uniform approach to MaRVing would facilitate the Soviets' BMD task by enabling them to cope with both ICBMs and SLBMs at once.

The Scowcroft Commission's concern about Soviet ABM capabilities drives in part the need for MX and its substantial throw-weight: "As Soviet ABM modernization and modern surface-to-air missile development and deployment proceed—even within the limitation of the ABM treaty—it is important to match any possible Soviet breakout from that treaty with strategic forces that have the throw-weight to carry sufficient numbers of decoys and other penetration aids; these may be necessary in order to penetrate the Soviet defenses which such a breakout could provide before other compensating steps could be taken. Having in production a missile that could . . . counter such a Soviet step should help deter them from taking it."

SOVIET ARMS-CONTROL GAMBITS

The Soviet Union is seemingly getting on US political bandwagons to gain military advantage. One ploy seems designed to erode US domestic support for MX by hinting at Soviet intentions to build and deploy small, mobile ICBMs to increase the survivability of its strategic nuclear force. The word from the US START negotiator in Geneva is that the Soviet delegation let it be known there that Moscow had plans to transform at least a part of its ICBM force to small, mobile systems.

The Administration and influential members of Congress—at the recommendation of the bipartisan Presidential strategic force modernization panel, the so-called Scowcroft Commission—are committed to the development and deployment of a small, single-warhead ICBM that could probably be reasonably mobile.

Such a weapon offers a number of advantages, in the view of the Commission. For one, since the small ICBM (SICBM) carries only a single warhead, it represents a far less attractive target for a potential attacker than does a large ICBM carrying many MIRVs. Undeniably, if both sides shifted to SICBMs, a more stable strategic balance would exist than is the case with large, MIRVed weapons. An SICBM can also be deployed in a mobile mode—and hence made more survivable—more readily than can large, heavy missiles. These factors, in combination, create conditions conducive to sharp arms reduction. As a result, sizable constituencies that favor bypassing MX and concentrating on SICBMs are forming in Congress and elsewhere. The expression of Soviet intent to move toward such a design is bound to feed the aversion to MX of these groups.

Another Soviet move in the field of arms control that presumably is designed mainly to influence the US political climate was the announcement by President Yuri Andropov of a "unilateral moratorium" on the deployment of ASAT (antisatellite) weapons. The Soviet leader made the offer to nine visiting Democratic US Senators headed by Claiborne Pell of Rhode Island.

The Soviet Union has had an operational ASAT for several years. The Defense Department credits this weapon with the "capability to seek and destroy US space systems in near-earth orbit" and reports that the Soviets conduct yearly tests to practice satellite interception and to refine the system. The Soviets are also known to be working on follow-on ASAT weapons.

Since their ASAT uses an SS-9 ICBM as launcher, verification of such a moratorium is basically impossible. In addition, since the USSR has a space-tested operational system and the US as yet has no comparable capability, Moscow could well afford to forego further ASAT flights if that were to cause this country to halt its nascent ASAT program.

Here, too, the Soviets are capitalizing on US congressional sentiments, specifically the fear of an arms race in space. Notwithstanding that the Soviets are running such a race already, more than 100 House members recently petitioned the Administration to "immediately propose to the Soviet Union a mutual moratorium on the testing of antisatellite weapons in space."

The petition argues with odd logic that since the present Soviet ASAT is limited to near-earth orbits and hence can't attack US satellites in geostationary altitude, a "mutual ban on ASAT testing would not place the US at a disadvantage." From this premise the signers of the petition leap off to the startling conclusion that "since the American ASAT is much more advanced and capable than the Soviet ASAT, there are compelling incentives for Soviet compliance with the mutual test moratorium."

Curiously disregarded in this reasoning is the fact that a weapon that does not yet exist—and has not been tested—is a weak means for ensuring compliance. Similarly, the fact that the Soviets are working on follow-on ASATs, including a system probably capable of direct ascent to geostationary orbits, is also swept under the rug.

Yet a third move by Moscow to accelerate the U.S.—and European—political momentum toward arms control at any price involved a vague but highly touted promise by President Andropov, carried in the Communist Party newspaper *Pravda*, that Moscow is willing to scrap some of its intermediate-range ballistic missiles (IRBMs), including the formidable SS-20, if the U.S. agrees not to deploy its Pershing II and ground-launched cruise missiles in Europe later this year.

The catch is that this offer covers only Soviet IRBMs currently deployed in Europe. Moreover, it does not change the fact that the Soviets insist on retaining 162 of these missiles—ostensibly to offset French and British nuclear weapons—while denying the United States the right to deploy any IRBMs at all.

Bolstering this maneuver to prevent the scheduled deployment of 572 U.S. Pershing IIs and GLCMs, beginning in December of this year, are preparations in Western Europe for massive antinuclear demonstrations this fall. As Assistant Secretary of Defense for International Security Policy Richard N. Perle observed recently, "The buses have been chartered already, and the concessionaires are ready to go. But we don't think that any of the [European] governments involved will allow their parliamentary process to be subverted by demonstrations on the streets."

The Administration, he explained, does not expect the Soviets to begin serious negotiations at the INF (Intermediate-range Nuclear Force) talks in Geneva until the Soviets become convinced that the Pershing II/GLCM deployment "becomes inevitable. Their proposals so far have all entailed the complete abandonment of any Western deployment and freedom for the Soviets to retain hundreds and possibly thousands of warheads on their SS-20s. . . . I would be surprised if the last-ditch Soviet effort to stop the deployment of [U.S. INF weapons] does not consist of negotiating ploys as well as continuation of the threats and intimidations that have characterized their actions" in the past.

Although he did not rule out the possibility that the Soviets might make good their oblique threat to put Soviet IRBMs into Cuba if the U.S. goes ahead with the Pershing II/GLCM deployment in Europe, Secretary Perle did not consider such an action likely. Violation of the Kennedy/Khrushchev understanding of 1962—which ended the Cuban missile crisis of that year by committing the US to put out and keep out its nuclear missiles—he said, "would be totally unjustified and have serious ramifications." He pointed out also that the Soviets have threatened to do things as a reprisal against U.S. INF deployments "that they have already done, such as putting nuclear missiles in Eastern Europe."

The U.S. negotiating stance at the INF talks revolves around what Secretary of State George P. Shultz termed "equal rights and limits" for the principals. The central U.S. goal, announced by President Reagan in November 1981, is the complete elimination of longer-range, land-based INF missiles. After more than a year of negotiating, the Soviets continue to resist this so-called "zero-zero" option.

In an effort to break the stalemate, the U.S. has proposed an interim agreement whereby, according to Secretary Shultz, "we would reduce the number of missiles we plan to deploy in Europe if the Soviet Union will reduce the total number of warheads it has already deployed to an equal level. This would result in equal limits for both sides on a global basis. President Andropov's latest offer of scrapping only missiles the Soviets have deployed in Europe obviously circumvents the U.S. principle of "equal rights and limits."

WASHINGTON OBSERVATIONS

The differences between the Air Force and some elements of OSD over how to conduct the deep interdiction mission, known as Counter Air '90, remain pronounced. The principal issue under contention is OSD's penchant for using ballistic missiles to perform a major portion of the deep interdiction mission. Air Force analyses do not support the cost-effectiveness of such an approach. Much of the dispute—which has attracted congressional attention and partisanship—is taking place behind closed doors because of the heavy involvement of classified Stealth technologies in terms of both the platforms and munitions under consideration.

Typical of the divergent trends now at play is the question of what kind of replacement should be picked for the Medium-Range Air-to-Surface Missile (MRASM) that was dropped, largely because it lacked Stealth qualities. OSD and the Navy apparently favor an extremely expensive cruise missile that incorporates the full range of low-observable technologies. The Air Force,

on the other hand, favors a far cheaper "stealthy" cruise missile that could be acquired in far larger quantities.

The Defense Resources Board recently endorsed development of an advanced, follow-on version of the Strategic Air Command's Short-Range Attack Missile (SRAM). The first-generation SRAM is aging, lacks adequate nuclear hardening, and lags behind the performance that could be built into a modern missile of this type. Among the advantages accruing to a new, advanced SRAM are nuclear hardness, greater range, greater compactness that would enable carrier aircraft to accommodate more of them, and an improved capability to deal with imprecisely located targets.

Some senior USAF leaders believe that an advanced SRAM system can be tied to the carrier aircraft's and other external sensors to provide the system with a near real-time targeting feature.

There are indications that influential elements of the Air Force prefer the advanced SRAM over the Advanced Cruise Missile (ACM). The latter is thought to be less suitable for adaptation to near real-time targeting.

Meanwhile, the joint conference report on the 1984 Defense Authorization Act supports the acquisition of 240 ALCM-B cruise missiles. The Defense Department had wanted to terminate the ALCM-B program now and to concentrate instead on ACM, a longer-range, "stealthy" follow-on to ALCM-B.

Due to damage to essential test equipment caused by lightning, a series of crucial tests of the hardness of various transporters associated with the small CBM (SICBM) have been delayed until October 1983 or later. Known as "Direct Contact," these tests by the Defense Nuclear Agency (DNA) are counted on for pivotal information concerning what forms of mobile basing of SICBMs show maximal promise.

The degree of dispersal and, hence, the size of the areas within which SICBM can roam without becoming vulnerable to Soviet barrage attacks are determined largely by the hardness level and speed of the transporter. Another area to be probed by DNA tests involves the hardness of advanced ICBM silo designs.

White House officials have hinted that this fall the Administration plans to announce, with considerable fanfare, a general commitment to an advanced strategic defense system centered on the eventual deployment of directed-energy and space-based weapons. This announcement would be in extension of the President's speech on March 23, 1983, when he hinted at the eventual feasibility of leak-proof strategic defenses.

By pulling together all Defense Department and Department of Energy programs that have, or might eventually have, impact on strategic defense, the Administration is expected to show that it will be investing about $5 billion annually in this field.●

A TRIBUTE TO LECH WALESA

● Mr. BIDEN. Mr. President, the Norwegian Nobel Committee has acknowledged what the Polish people have believed for several turbulent years: That Lech Walesa is an inspiration and an example of the struggle for peace, freedom, and human dignity. He deserves the Nobel Peace Prize both as a tribute for what he has accomplished and as an encouragement for him to continue his work for the Polish people.

Perhaps there would have been a Solidarity movement even without Lech Walesa, for the Polish people for centuries have yearned for national independence and personal liberty. But he provided the magnetic spark which galvanized the nation and forced the government to grant some long-denied basic human rights. When Polish aspirations for greater freedom proved too strong for their Communist masters, the brutal leadership imposed martial law and imprisoned Lech Walesa for 11 months. He emerged, still strong and resolute, and remains the embodiment of the dreams of the Polish people for a better life.

Walesa became a leader by virtue of his personal courage, personal sacrifice, and genuine humility. Those qualities are rare in any nation, but especially in one where power and privileges go to the self-chosen few and the rest of the people struggle just to survive. As a man of profound faith and hard work, he represented the authentic Polish citizen—and the people responded with their trust and support.

Even today, despite the ominous shadow of Soviet troops and martial law, Poland remains free in spirit, though caged in body. And as we join in honoring Lech Walesa, let us hope that he can continue to guide the Polish people to a rebirth of freedom and solidarity.

Mr. President, I ask that the official citation of the Nobel Committee and a profile of Lech Walesa from the New York Times be printed in the RECORD.

The citation and profile follow:

NOBEL COMMITTEE STATEMENT

OSLO, October 5.—Following is the text, in official translation, of a statement by the Norwegian Nobel Committee today:

The Norwegian Nobel Committee has awarded the Nobel Peace Prize for 1983 to Lech Walesa.

In reaching this decision the committee has taken into account Walesa's contribution, made with considerable personal sacrifice, to insure the workers' right to establish their own organizations.

This contribution is of vital importance in the wider campaign to secure the universal freedom to organize—a human right as defined by the United Nations.

Lech Walesa's activities have been characterized by a determination to solve his country's problems through negotiation and cooperation without resorting to violence.

He has attempted to establish a dialogue between the organization he represents—Solidarity—and the authorities. The committee regards Walesa as an exponent of the active longing for peace and freedom which exists, in spite of unequal conditions, unconquered in all the peoples of the world.

The committee has on several occasions when awarding the Peace Prize emphasized that a campaign for human rights is a campaign for peace. Furthermore the committee believes that Walesa's attempt to find a peaceful solution to his country's problems will contribute to a relaxation of international tension.

In an age when détente and the peaceful resolution of conflicts are more necessary than ever before, Lech Walesa's contribution is both an inspiration and an example.

[From the New York Times, Oct. 5, 1983]

LABOR ORGANIZER WITH A TALL DREAM

(By John Kifner)

WARSAW, Oct. 5.—For Lech Walesa, this has been a difficult year.

The one-time unemployed electrician who rose to become an international figure, the embodiment of the dreams of millions of Poles for a better life, emerged from 11 months of solitary confinement last fall to find his Solidarity union crushed by martial law. He had thrilled crowds and negotiated with the Government; he had even met, virtually as an equal, with the heads of the two institutions that dominate Poland—the Communist Party and the Roman Catholic Church. Now, the government said he was a has-been, the "former head of a former union."

Yet his allure has not entirely faded. During the eight days of Pope John Paul II's visit last June, the crowds once again unfurled their red and white Solidarity banners and shouted, "Lech Walesa! Lech Walesa!"

For those Poles, as well as for Mr. Walesa, the awarding of the Nobel Peace Prize to the founder of the first—and last—free trade union in the Soviet bloc was a vindication. To the Communist authorities it was a slap in the face.

HOW HE GOT THE NEWS

The news of his Nobel Prize came to Mr. Walesa—the name is pronounced vah-WENN-sah—as he was picking mushrooms in the woods, a very Polish activity at this time of the year. His wife, Danuta, said later that he had become so worked up by the knowledge that he was a candidate for the award that he could not sleep and had gone to the country north of Gdansk with friends to try to relax.

The word was brought by the Western television crews, whose attendance on Mr. Walesa is a constant irritant to the authorities. The mushroom-hunting party promptly grabbed the new laureate, who wore his ever-present badge of the Black Madonna of Czestochowa on his gray cardigan sweater, and tossed him in the air.

"The world recognizes Solidarity's ideals and struggles," he said when he got his breath back.

Leszek Michal Walesa was born Sept 29, 1943, in the village of Popowo, near the Vistula River north of Warsaw, the son of a carpenter who was to die in a Nazi concentration camp. He was trained as an electrician at a state agricultural school, served two years in the army and in 1967 moved to the Baltic seaport of Gdansk and a job in the sprawling Lenin Shipyard.

His introduction to political opposition came in the turbulent days of December 1970 when workers in Gdansk took to the streets to protest rising food prices and were gunned down. The demonstrations toppled the Government of Wladyslaw Gomulka, but, ultimately, the bloodshed brought little but broken promises.

A MONUMENT TO THE DEAD

The experience so burned Mr. Walesa that one of his obsessions was the unlikely project of building a monument to honor the more than 100 slain workers. The towering monument of three crosses, whose dedication was attended by party leaders, stands

now at the shipyard gate, a constant reproach to the authorities. The police come at night and take away flowers people place at its base.

Mr. Walesa was on the strike committee that briefly shut down the shipyard in the next round of protests in 1976. Dismissed from his electrician's job, he became a full-time agitator, editing and passing out an underground newspaper, The Coastal Worker, and helping to organize the illegal Baltic Free Trade Union Movement. In this period, too, he made contact with the newly formed organization of dissident intellectuals called the Workers' Self-Defense Committee, which became important in guiding and speading Solidarity.

In 1980, Mr. Walesa led the strike that drove Mr. Gomulka's successor, Edward Gierek, from power. When he climbed over the fence of the Lenin Shipyard on Aug. 14, the short and slightly pudgy Mr. Walesa became very much the right man at the right moment.

The week-old strike he took over had been touched off by the dismissal of Anna Walentynowicz, a grandmotherly looking crane operator. Feeding on long-held grievances, it spread like a bushfire along the Baltic coast, to the Nowa Huta steel mill, the coal mines of Silesia, engulfing most of Poland. Bus drivers, writers, peasant farmers, trainee firemen, even party members joined the strike.

Neither an intellectual nor a profound strategist, Mr. Walesa nevertheless possessed a magnetism that set him apart from the other Solidarity leaders. What he had was a shrewdness, a keen sense of the dramatic and a flair for summing up the feelings of the workers in an earthy phrase. "You and I, we eat the same bread," he told a room overflowing with grimy, blue-jacketed steelworkers. He did not have to complete the thought—that there were others, the privileged party elite, who ate much differently.

LEADERSHIP IS CHALLENGED

While the authorities tend to portray him as wild-eyed public enemy, Mr. Walesa spent much of his efforts during the hectic 16 months of Solidarity trying to calm striking workers, staving off confrontations. Indeed, he was sharply challenged from within his own ranks as being too willing to compromise with the authorities. Mr. Walesa and others kept insisting that theirs was a "self-limiting revolution," that they meant to reform the system, not overthrow it, but the Poles and their rulers understood that, inevitably, the challenge was more profound than that.

Mr. Walesa lives in what is by Polish standards a relatively luxurious six-room apartment in a vast housing project with his wife, a former florist's assistant whom he married in 1969, and their three daughters and four sons, the last born while he was interned. The apartment was given to him during his days of recognized prominence. A portrait of the Pope dominates the living room.

The authorities have been trying for months to discredit Mr. Walesa. The latest step was a special television program, titled "Money," broadcast last week. It centers on a purported tape recording in which Mr. Walesa is reputed to speak of squirreling away a million dollars abroad, to complain that the Pope was edging him out of last year's Nobel Prize and to use foul language.

The effort appears to have had little effect. The next day Mr. Walesa went to a World Cup soccer match in Gdansk, the home team playing an Italian squad, and when he was recognized the stadium burst into cheers.●

THE ANNIVERSARY OF THE SENIOR CITIZENS NUTRITION PROGRAM

● Mr. LUGAR. Mr. President, on October 7, Indiana will celebrate the 10th anniversary of the senior citizens nutrition program.

I bring this to the attention of my colleagues because I count the consolidation and expansion of senior citizen nutrition programs in Indianapolis as one of my key accomplishments as mayor of Indianapolis.

Prior to the passage of comprehensive Federal legislation many private and public organizations had worked valiantly to meet the nutritional needs of older citizens. At the time, the needs were critical. I recall working with the Northeast Side Community Organization, the United South Side Community Organization, and the rest of the Neighborhood Congress to find ways to focus money and attention on the problem.

Finally in 1973 we were able to utilize new Federal programs and the Greater Indianapolis Progress Committee to consolidate these efforts. We were on our way to maintaining the health and dietary needs of older Hoosiers.

The program in Indianapolis and across the State has been tremendously successful. We now serve over 18,000 meals a day in over 415 meal sites. Meal service which also brings fellowship and activity to people who might otherwise remain lonely and isolated.

Of course, these 415 meal sites are supplementary by a massive Meals-on-Wheels program. Our homebound elderly have benefitted from the efforts of many, many volunteer organizations, churches, and agencies on aging. I am proud of the success of the nutrition program in Indiana and of all those individuals who have devoted their time, effort, and money to make these programs work.

In spite of the tremendous progress that has been made, since those days in the early seventies, when funding was so short and the needs so great, much more needs to be done. Housing, nutrition, and health care remain as high priorities for further attention and work. We must and we will continue our work. I am committed to further progress and I know that I can count on the area agencies, the senior centers, the nutrition programs, and the Indiana Department of Aging to help make that progress.●

STUDENTS OF WENDELL, IDAHO, COMPLAIN ABOUT DOWNED KAL FLIGHT 007

● Mr. SYMMS. Mr. President, it has been just over a month now since the world listened in shock to the news that a Korean passenger plane, which had strayed off course into Russian airspace, had been savagely shot down by a Soviet fighter jet.

Many countries of the free world, to no avail, have asked for an explanation and apology from the Kremlin, and reparations for the families of the 269 victims of that flight. The Soviet system is such that admits to no wrongdoing, and its power such that we have little leverage to exert to preclude the recurrence of future atrocities.

As one writer in the Washington Times aptly commented, after the downing of KAL flight 007:

Whatever is left of the disarmament movement in this country and in Europe is probably permanently discomfited. The Korean 747, after all, was "disarmed" and has been turned into a giant metaphor. Do you want to turn your country, it is now proper to ask the peace movement, into a Korean 747?

Certainly, the unilateral disarmament movement has suffered a setback, but it is far from dead. We cannot afford, therefore, to let this barbarous and revealing deed slip from our national consciousness. We must not forget what the Soviet leadership is capable of, and what the future portends if we fail to insure that America maintains a strong deterrent force.

Mr. President, as the following article details, the people of Idaho have not forgotten this massacre. It has served to strengthen their commitment to our President's defense program and foreign policy initiatives. I request that this item from the Twin Falls, Idaho, Times-News, which reflects the deep concerns of one Idaho community about this outrage, be included in today's RECORD.

The article follows:

[From the Twin Falls (Idaho) Times News, Sept. 24, 1983]

WENDELL STUDENTS COMPLAIN IN WRITING TO SOVIET LEADER

(By Terrell Williams)

WENDELL.—Russia soon will be hearing from Wendell High School students and other residents of Wendell.

The seventh-grade world geography students of Gay Petersen have compiled a letter to Yuri Andropov, the Soviet head of state, stating that they strongly disapprove of the Russians' destruction of a Korean commercial airliner.

"The students think it's a good idea to send it," Petersen says of the 3-by-6-foot letter. "They think (President Ronald) Reagan did all he could do, but they wish we could have done something in retaliation."

Each week, the geography class brings world news articles to class. On Fridays, the students discuss the articles and voice their

opinions. To protest the downing of the airliner, students decided to send Andropov a letter.

"The kids in the high school here are very patriotic," Petersen says. "They really stand behind their government. They're upset at what the Russians did."

None of the students believe the airliner was a spy plane, says the teacher, and she adds, when the Russians said the plane was accidentally fired upon, "all of them thought that was just ridiculous."

Their letter reads:

Dear Mr. Andropov: We are seventh-graders in the small town of Wendell, in the state of Idaho, U.S.A. We decided to write you a letter and have as many students and members of our community sign it as wish to do so, to let you know how angry we are that the leaders of your country killed 269 innocent people when the Korean aircraft passed accidentally over your country this month. We think that you should at least apologize for this act of murder, and that you should pay back the families for their grief. We also ask that you never let such a terrible tragedy happen again.

Sincerely,

THE WENDELL SEVENTH GRADE.

This letter, Petersen admits, probably will get no reaction or results.

"It's just a way of doing something to show our disapproval."

The large letter now is being signed by WHS students and will be at the Wendell post office on Monday, Tuesday and Wednesday to collect the signatures of residents who agree with the students.

At the advice of Sen. Steve Symms' office, the letter then will be sent to the Russian Embassy in Washington, D.C., rather than directly to the Russian leader.●

THE IMPENDING CONFRONTATION

● Mr. SYMMS. Mr. President, I ask that an article by Patrick Buchanan entitled "The Impending Confrontation" from the Washington Times of October 5, 1983, be printed in the RECORD. This excellent article reinforces the points which Senator HELMS made in his recent Senate speech "Paralysis In The Face of Soviet SALT Breakout." Mr. Buchanan has rightly pointed out that the world faces a major crisis just months away in December, when they have threatened to walkout of the INF and START negotiations and to create a new threat to the United States in the Caribbean.

The article follows:

THE IMPENDING CONFRONTATION

(By Patrick Buchanan)

The Cold War is getting colder—and is likely to get colder still by autumn's end.

Charging that the United States' "special services" engineered the KAL massacre, Yuri Andropov has decried America's "militarist course" and warned that any U.S. effort to shift the balance of power will be offset by the Soviet Union.

Andropov's threat comes after reports that the Soviets are violating both the SALT II agreement—by testing two new strategic missiles—and the ABM treaty that was at the center of SALT I—by constructing an ABM battle management radar in Central Asia.

The reflexive response of the American left is already in: Reagan is responsible. He has challenged the legitimacy of the Soviet regime; now we are in for it. The same critics who, one month ago, were congratulating Reagan for confining his response to the Soviet air massacre to rhetoric, are now denouncing the rhetoric.

But rhetoric is not the problem; this impending confrontation with the Kremlin was a long time coming. It was made inevitable by Reagan's determination not to allow the Soviet Union to maintain an absolute monopoly on modern theater nuclear weapons. Within weeks, American Pershing II missiles will be en route to West Germany for deployment, and the Soviet monopoly will be broken. It is this prospect that has enraged the Communist Party of the U.S.S.R. and its generals and marshals.

To understand the origins of the gathering storm, we need to go back to Moscow, 1972.

At SALT I, both the United States and the Soviet Union agreed to strict limits on the number of long-range strategic-weapons launchers—land-based and sea-based. The Soviets were conceded advantages in missile size and number—the latter roughly 3-2—and those numbers were fixed by treaty.

Then, in 1977, there began deployment of two new weapons systems—the Backfire bomber and the SS-20 missile—both designed to fall just outside, by virtue of their range, the strategic arms limits. Since the late '70s, the Soviets have been building and deploying these weapons at the rate of one new Backfire bomber every 12 days, one new SS-20 each week.

Threatening Europe and Asia, there are now hundreds of Backfire bombers and 350 mobile SS-20 missiles, each with three warheads, each with a reload and refire capability.

These are the weapons of hegemony, the weapons that enable the Soviet Union to dominate all the countries of the Eurasian land mass, from Japan to the Philippines, from Pakistan to the Persian Gulf, from the Middle East to the Mediterranean, from Spain to Iceland to Scotland. These are the weapons that enable the Kremlin, occupying what global strategist Harold Mackinder called the Heartland, to dominate the World Island.

To offset this Soviet reach for hegemony. Helmut Schmidt and Jimmy Carter decided to counterbalance the SS-20s with American missiles deployed in five NATO countries—108 Pershing II single-warhead ballistic missiles, and 464 cruise.

That these Soviet weapons of intimidation and terror are fulfilling their purpose seems undeniable. The same German Social Democratic Party that courageously took the decision to deploy the Pershing II and cruise missiles is now riven over the issue. So, too, are the other socialist parties of Europe.

As American deployment appears more and more certain, however, the repeated specific Soviet warnings about putting the United States in "an analogous position," ought to be taken seriously.

The administration should be prepared for something dramatic from Moscow, not excluding the possibility of Soviet Bear or Backfire bombers arriving in Cuba, or the stationing of SS-20 missiles in the Soviet Far Northwest, whence they can reach the United States.

Reagan's real test may be just ahead. Is he prepared to declare the Soviet Union in violation of the ABM treaty and SALT II, and announce that the United States is no longer bound by either pact? Is he prepared to respond in kind to a strategic provocation? Is he prepared to tell the American people that the strategic arms talks are deadlocked, that the Soviets are demanding nothing less than a visible superiority the United States cannot concede? Are the American people prepard to hear, to accept, to respond, to such a message? As the Soviets do not sound as though they are bluffing, we may see.●

SPEECH BY SENATOR PELL ON ENVIRONMENTAL ISSUES

● Mr. MITCHELL. Mr. President, a broad range of environmental programs and problems will confront the Congress in the coming months. The distinguished senior Senator from Rhode Island, Senator PELL, recently addressed a number of these environmental issues in an address to the Narragansett Group of the Sierra Club in Rhode Island.

Senator PELL has been a strong advocate and supporter of environmental protection programs. He is a cosponsor of the legislation which I have proposed to reduce acid rain, which causes particularly heavy environmental damage in the northeastern section of our country.

In his address to the Sierra Club, Senator PELL urged a return to a strong Federal Government commitment to environmental protection and argued cogently for effective action to combat acid rain.

I believe Senator PELL's remarks will be of interest to my colleagues and I ask that the text of his address be printed in the RECORD.

The remarks follow:

REMARKS BY SENATOR CLAIBORNE PELL

I am delighted to be with you today.

The Sierra Club has a proud and distinguished history of effective action and national leadership on environmental issues. For that reason I am particularly pleased at this opportunity to discuss with the Rhode Island membership of the Sierra Club some of the environmental issues, including acid rain, which confront us today.

At the outset let me say that in my view, one of the great environmental challenges of our day is to ensure that our government in Washington has renewed its earlier respect for the environmental rights of the American public.

We must ensure that our government in Washington has an understanding and conviction that government has a basic responsibility to protect the interests of the general public in clean air, and clean water, in public lands, parks and forests, in the preservation of wildlife and wilderness—to assure that those interests are not sacrificed routinely, dogmatically and without thought, to private interests.

As all of you know, the decade of the 1970's was a time of immense progress in the United States and throughout most of the world in understanding the threat to our environment and in acting to solve environmental problems, some of which had accumulated over a period of decades.

With that background of a decade of strong bipartisan progress in environmental

affairs, the record of these first few years of the 1980's is disheartening.

In fact, the environmental record of our national government in the past three years has been aptly described as a national catastrophe. It certainly has been a time measured by public lands lost forever to the public; by wilderness areas already scarred by mineral prospecting; by an effort to sell in three years a public heritage carefully nurtured for decades and decades. And it is a catastrophe measured by lost opportunities to make progress in meeting national goals and objectives for cleaner and more healthy air and water.

And, sadly, none of this was necessary. The catastrophe of the past several years has occurred because of a basic philosophical error by the Administration. That error was to assume that if one believes in a free enterprise economic system one must be opposed to the public enterprise of protecting the environment. The truth is that both of these enterprises, public and private, serve public needs.

I believe strongly in our free enterprise economic system, and I believe just as strongly in the public enterprise of protecting our environment through government action.

In my view, the government's responsibility to protect our environment ranks with the government's responsibility to provide for the national defense. Both by their very nature are public enterprises that must be undertaken by government for the public good.

Neither national defense nor environmental protection can be achieved except through government programs, government policies and government financing. Neither can be turned over to the private sector with a blind assumption that free enterprise and a free market will provide the answers.

Sad to say, real progress in solving our nation's environmental problems is unlikely until our federal government once again accepts and embraces the responsibility to take positive action to protect and improve the environment.

As a beginning toward that objective, I suggest that the President ask for the resignation of his Secretary of the Interior, James Watt, and replace him with a good Republican who is devoted to the public interest in the environment and in public lands.

The Republican Party, after all, has counted among its members through the years many outstanding leaders in conservation and environmental protection dating back at least to President Theodore Roosevelt. And the party today includes many outstanding environmentalists, including Russell E. Train and Russell W. Peterson, both of whom served with great distinction as Chairmen of the Council on Environmental Quality and as Administrators of the Environmental Protection Agency. In addition, in the Senate, the Republican membership includes such recognized environmentalists as Senator Robert Stafford of Vermont and our own John Chafee of Rhode Island.

To be sure, Secretary Watt is only symbolic of the basic faults in this Administration's environmental policies, but symbols are important, and the President does have a pool of talent within his own party.

The Administration, belatedly, understood the importance of replacing the embarassing leadership of the Environmental Protection Agency, which now has an excellent Administrator, who does us all proud. However, it is now time to take similar action at the Interior Department.

Let me turn now to acid rain, as one of the most serious environmental problems we face.

As all of you know, acid rain is a problem that most heavily affects the Northeastern United States. Rain of more than normal acidic quality falls regularly in the Northeastern states, including Rhode Island. The acid rain increases the acidity of lakes and groundwater, and the increasing acidity is environmentally destructive, ultimately making lakes uninhabitable by fish. Other effects include the destruction of pine forests and damage to buildings and other structures.

The annual economic damage in the Northeast, including damage to fisheries and loss of tourism, is estimated at $5 billion.

There is some controversy over the causes of acid rain, but the basic facts are incontrovertible. The acid content of rain is increased by the presence of sulfur dioxide emissions, and those emissions come primarily from coal-burning electric power generating plants.

There is no question, in my view, that the federal government should require a reduction in the amount of sulfur dioxides thrown into the atmosphere by power plants. For that reason, I have co-sponsored, in the 97th Congress and in this Congress, legislation offered by Senator Mitchell of Maine that would require utility plants to reduce sulfur dioxide emissions by 35 percent during the next 12 years.

Opponents of this proposal argue that we just don't know enough about exactly how much acidity is caused by sulfur emissions, or exactly what are the sources of the sulfur emissions that cause the increased acidity in specific areas. For example, it is suggested that we do not know for certain whether the acid rain in Rhode Island is caused by power plants in the Midwestern United States, or by emissions from Canada, or from states closer to us, such as New York or Connecticut.

The truth is that we don't have all of the answers we would like to have. But a study by the National Academy of Sciences, in my view, did resolve the basic question. The Academy found that sulfur dioxide emissions do cause increased acidity of rainfall, and that decreases in sulfur emissions will reduce the acidity of rainfall. The Academy agrees that it is not now possible to say where the acid rain caused by a particular power plant will fall, but there is no doubt that if you reduce sulfur emissions there will be less acid rain.

Reducing sulfur emissions will be costly, particularly for power utilities in the Midwest, and their electric customers, because those are the plants that make the greatest use of coal with high sulfur content for power generation. The costs of a 35% reduction are estimated by independent studies at from $1.5 to $3 billion a year—an amount significantly less than the value of the anticipated benefits.

One may ask if the acid rain problem is a serious one for us here in Rhode Island. The answer is an emphatic yes.

In a study conducted by one of your sister environmental organizations, the National Wildlife Federation, Rhode Island was identified as one of 15 states that are "extremely vulnerable" to the harmful effects of acid rain.

Rainfall in Rhode Island averages 4.4 on the pH scale. The pH scale, on which zero is most acid and 14 is most alkaline, sets the neutral level of distilled water at 7, and normal rainfall at a slightly acidic 5.6. Remember that each numerical decrease below the neutral 7 means a 10-fold increase in acidity.

The Rhode Island Department of Environmental Management has advised me that we are experiencing rainfall in this state that is as low as 3 or 4 on the pH scale—close to the acidity of vinegar or lemon juice.

Rain of this acidity has a cumulative effect on surface waters, such as lakes. The Scituate Reservoir measures about 6 on the pH scale and other lakes, including one in Exeter, have been measured at even higher acidity of 4.6. Studies have shown that most fish species die at acidities between 4.5 and 6.0.

Acid rain is a serious problem here and throughout the Northeast, and it is time that the Congress bit the bullet and acted on the problem. We should see some significant developments within the coming weeks. The Office of Technology Assessment, an arm of the Congress, will be making public its report on acid rain within a few weeks. I serve on the Congressional Board which directs the activities of the OTA and in the field of environmental policy the reports of the OTA are extremely helpful to the Congress.

Also, within a very short time, the new director of the Environmental Protection Agency, William Ruckelshaus, is expected to announce the Administration's policy proposals on acid rain. I hope very much that the policy will go beyond a call for more studies.

From all reports, it appears that Bill Ruckelshaus is fighting hard within the Administration for a program of action, going beyond research, and I hope very much that he is able to persuade the President to accept his recommendation.

We do need more studies, particularly in developing new and less expensive technology to reduce sulfur emissions, but action to begin reducing the emissions should not be delayed.

I would like now to mention several other environmental projects involving federal government policy on which I have been working and which I believe will be of interest to you.

One of these projects is my proposal to assure that state and local governments are given a real chance to obtain surplus federal government lands for public park use.

This proposal arose, as many of you may know, out of the incredible decision by the Reagan Administration to sell to the highest bidder two parcels of surplus military land in Rhode Island—at Fort Wetherill and Beavertail—without giving an opportunity or preference to the desires of the state government to preserve these properties for park use.

The decision was more than incredible since the sites are not only ideal for park use but are surrounded entirely by existing state parks. The Administration's public-be-damned sale policy raised the specter of possible condominium development or other commercial development in the very center of a carefully planned state park.

Administration officials ignored the protests of state and local officials and of our Congressional delegation. At that point I decided that legislation was necessary to save these Rhode Island lands for public use, and to establish a correct policy nationally.

In that regard, I want to commend and thank the Sierra Club for the assistance and support it has provided in pursuing this sur-

plus property legislation. The experts of the Sierra Club's Washington offices, who have great experience in federal lands policy issues, were extremely helpful in preparing the legislation which I introduced to give state governments preference in obtaining surplus lands for park use with a requirement that the state governments be given a discount of at least 50% of the market value of such land.

As you may know, the Administration, faced with clear and strong Congressional opposition finally relented last April and agreed to make the Rhode Island Properties available for state park use.

The Administration, I think, hoped that with this action I would forget about the needed national legislation. They are wrong. I am continuing to press for enactment of my bill and I am happy to report that the Senate Committee will hold a hearing on this bill and related legislation later this year.

I am pleased to be able to report also that the Senate recently approved, as part of the State Department Authorization Bill, two additional environmental acts which I had proposed.

One of these provisions establishes a program for exchanges between American and foreign scientists, scholars, leaders and other experts in the fields of environmental science and environmental management.

Under this program, the United States and other nations could benefit immensely from an exchange of experts on the environment, just as we have all benefited from such exchanges in the health sciencies, and other fields.

A couple of examples I think will make clear the great potential advantages of such exchanges.

For one example, American scientists concerned with acid rain could benefit greatly by exchanges with scientists in Scandinavia who have been observing and studying the problem for more than 50 years.

Similarly, we could benefit greatly from exchanges with European experts on disposal of toxic and hazardous wastes. Our Rhode Island jewelry industry is confronted with a serious problem of handling wastes from such processes as electroplating, and European countries have long and successful experience in solving these problems.

So I am hopeful that this new program, which I originally introduced with Senator Chafee, Glenn and Percy as co-sponsors, will soon be enacted into law.

A second program which I originally proposed as the International Environmental Protection Act, also has been included in the State Department Authorization Act passed by the Senate.

This second program would encourage and assist other nations in efforts to preserve endangered plant and animal species. It is clear that the extinction of plant and animal species is a world-wide problem, and that efforts to preserve endangered species in the United States will do little good without similar efforts in other nations.

Experts have testified that 15 to 20 percent of the earth's species may be driven to extinction by the end of the century—in less than 20 years. That would mean the permanent loss of from 500,000 to 2,000,000 different types of living things that would never again be seen on this Earth.

To begin to deal with this problem, the legislation I proposed would authorize programs under the Foreign Assistance Act to help other nations protect animal and plant species and require that our government develop a comprehensive strategy to conserve biological diversity.

Here, again, I am grateful to the Sierra Club for the national support it has given to this proposal, and I am encouraged by the recent Senate approval of the proposal.

I believe it has become increasingly clear that effective answers to many of the most pressing environmental problems require cooperative actions among nations. Acid rain, ocean pollution, and atmospheric and stratospheric pollution are clear examples of problems that have no respect for national boundaries.

It is because of this environmental interdependence among nations that I have pressed for expanded international agreements on environmental affairs.

I was proud to be the sponsor of legislation which authorized United States support and contributions to the United Nations Environment Program. For similar reasons, I proposed a resolution urging the United States government to seek the negotiation of a treaty requiring the preparation of an International Environmental Impact Statement by any nation proposing to undertake any activity which might have an adverse impact on the physical environment of another nation or on an international commons area, such as the oceans.

And finally, I would be remiss if I did not mention to you today a threat to the world environment that surpasses all other threats in its potential for environmental destruction.

I refer, of course, to the threat and the danger of nuclear war. Other environmental problems and threats fade into insignificance when compared to the catastrophic destruction of human life, entire species, and life-supporting environment that would result from a nuclear war.

For that reason, I believe the highest priority on everyone's environmental agenda must be given to efforts to reduce the threat of nuclear war. That is the reason I strongly support the movement for a mutual, verifiable nuclear freeze leading to reduction and ultimate elimination of the world's nuclear arsenal.

I hope I can look forward to your support in this effort just as I have enjoyed your help and support in so many environmental battles.●

S. 1826, THE HUNGER RELIEF INCENTIVE TAX ACT OF 1983

● Mr. DANFORTH. Mr. President, although there is no official figure on the number of hungry or malnourished Americans, institutions providing emergency food assistance do know the extent to which today's numbers compare with those from earlier periods. The number of Americans seeking food assistance has increased noticeably over the past few years. Fifteen percent of the population—a 17-year high—has fallen below the official poverty line, based on a spartan food budget. Moreover, the profile of those seeking assistance is of particular importance. Food centers no longer serve only the emergency cases and the hard-core poor; they are now responding to the needs of the new poor as well. The new poor are people who were employed and possibly financially stable not very long ago. One-third of the families seeking food aid these days fall into this category.

The Federal Government has a number of programs desighed to aid the hungry, but the Government cannot, and indeed should not, do everything. Presently, our Government spends almost $17.8 billion on about 10 separate programs. State and local agencies, as well as private-sector charitable organizations, are necessary if costs are to be kept from escalating further—and these groups are essential if hunger in America is to be eliminated.

It is the purpose of the Hunger Relief Incentives Tax Act to encourage food contributions through tax incentives. With so many undernourished Americans, it is critical that we increase food donations by taxpayers to organizations which are involved in feeding the needy. We must use all of the resources available to feed our people. This is what the Hunger Relief Tax Incentive Act proposes to do.

This bill seeks to enlarge the food distribution system by increasing the number of eligible donee organizations. At present, donations of food to certain government operations, such as public housing authorities and welfare departments operating emergency food programs, are not eligible for tax deductions. The Hunger Relief Tax Incentives Act would change this. It would allow institutions already in place to be more active and effective food distributors.

The proposed bill also calls for expanding the number of eligible donors by granting to cooperatives, individuals, and other noncorporate taxpayers a tax deduction that is already available to corporations. The present law was enacted because Congress believed that it was desirable to provide a greater tax incentive for contributions of certain types of property to a charity. Congress specified, however, that the deduction allowed should not place the donor in a better after-tax situation by donating the property than he would be in if he had sold the goods. For this reason, and with this stipulation, the present law came into existence, and corporations were given a tax break for contributions of property used for the care of the ill, the needy and infants. The Hunger Relief Incentives Tax Act of 1983 does not offer additional incentives for these donors. Instead, it simply seeks to give cooperatives, individuals, and other noncorporate taxpayers a similar deduction. In this way it hopes to increase the amount of food donated.

Finally, the bill I am introducing will make present law more effective. A recent Government Accounting Office report noted that the lack of transportation was a chief obstacle confronting public and private organizations seeking to help those in need

of food assistance. The lack of transportation is probably ther most significant factor inhibiting the effectiveness of present law. Emergency food centers face tremendous difficulties getting the food from where it is donated to where it is needed. The Hunger Relief Incentives Tax Act specifically addresses this issue by offering the same tax deduction that is available for donors of property to qualified taxpayers transporting food. This provision is necessary to improve the contributed food distribution process. Without such a deduction for transportation, food will continue to be destroyed rather than donated to those Americans who are desperately in need of it.

The Hunger Relief Incentive Tax Act of 1983 is a crucial piece of legislation if we are truly serious about feeding our Nation's hungry. This bill seeks not only to increase food contributions—it also seeks to utilize more effecitvely those resources we have at our disposal. Potential donors and donees already exist. The utilization of transportation facilities can and should be increased. Most importantly, there is surplus food that could be distributed to America's undernourished citizens. The USDA estimates that there was almost 35 million tons of food wastage in 1983—excluding the fod left in the field after harvesting. In a country where the number of hungry people may run into the tens of millions, this is not just unacceptable, it is outrageous. It is imperative that we address this problem now. This is what the Hunger Relief Incentives Tax Act of 1983 seeks to do.●

A TRIBUTE TO JOE FRANK, JR.

● Mr. EAGLETON. Mr. President, on October 15, 1983, The American Legion, Department of Missouri, will have a homecoming for the newly elected Department of Missouri commander, Joe Frank, Jr.

Joe Frank, Jr. is, in my view, an outstanding choice for Department of Missouri commander. He was inducted into the U.S. Army on November 29, 1966 and served his country with honor and distinction as a combat engineer with the 39th Engineer Battalion. A land mine explosion on January 14, 1968 caused Mr. Frank to become a paraplegic, and he was honorably discharged on April 1, 1968.

In no way has Mr. Frank's disability reduced his desire and ability to serve his country and his fellow veterans. He became active in Lemay Memorial American Legion Post 162 in his home town of Lemay, Mo., and served as the Post's first Vietnam veteran commander.

Seeing the need for an American Legion Post in his neighboring community of Crestwood, Mr. Frank was a founder of Crestwood Memorial Post 777 in 1979 and has been a charter member since that time.

Also in 1979, he began working with the Paralyzed Veterans of America, serving as a full-time national service officer. In this capacity, Mr. Frank was responsible for developing, submitting, and pursuing claims for Veterans' Administration benefits for veterans, their dependents, and survivors, among other duties.

In 1981, he resigned from PVA in order to campaign for the office of eastern division vice commander of the American Legion for the Department of Missouri. He was elected to that position for the term of 1981–82.

Mr. President, the list of Joe Frank, Jr.'s accomplishments goes on and on. He was named an "Outstanding Young Man of America" in 1982; was named 1968 "Veteran of the Year" by the Combined Veterans Association; and has received two Presidential certificates—one in 1976 in appreciation for his service to the Nation and the Selective Service System and another in 1979 for "Outstanding Community Achievement." These are just a few of the many awards and honors Mr. Frank has achieved.

Joe Frank, Jr.'s dedication to serving his fellow man is a inspiration not only to disabled veterans, but to all disabled and handicapped Americans. Missouri and the Nation are proud to have him serve as the State's American Legion commander.●

UKRAINIAN FAMINE MUST NOT BE FORGOTTEN

● Mr. BIDEN. Mr. President, 50 years ago this year, the Soviet dictator Stalin decided to eliminate the political, cultural and ethnic identity of the Ukraine by starving to death more than 7 million Ukrainian men, women and children.

Stalin succeeded in murdering those millions by expropriating their crops. To subjugate a large and free-thinking non-Russian minority within the Soviet Socialistic Republics, he deliberately created a manmade famine. The Ukrainian people were the victims of genocide, of the attempted destruction of a nation to serve Soviet policy.

But despite the murderous success of that ill-intended famine, it did not achieve its full purpose. With the Soviet Union today, the more than 40 million Ukrainians still preserve their language, their culture and their national identity. And here in the United States, the Ukrainian-American community, one of our proudest and most patriotic ethnic groups, keeps alive the memory and the hope of a free and independent Ukraine.

They call upon all Americans this year to observe the 50th anniversary of the Ukrainian famine. It was, in fact, one of the great tragedies of human history, and it is a melancholy anniversary that should be observed by every free nation on Earth in recognition of the brutal and inhuman capacities of despotic government.

It is all the more disturbing and ironic, in this 50th anniversary year, to be reminded by the fate of the Korean Air Lines passenger plane over Sakhalin Island, that the realities of Soviet society, Soviet Government, and Soviet policy still do not rule out such cold-blooded attacks on human life and humane values. Even after 50 years, we are not after all so far beyond murder by policy.

It is, Mr. President, a sobering but necessary reminder. The Soviet Union and the United States confront each other across the world with nuclear arsenals capable, in only a few destructive hours, of inflicting devastation and death on a scale so vast that, even in our most horrified anticipation, we cannot adequately imagine it.

Possessed of such power, our two nations must find a way to live together on this planet. We must negotiate our differences with the Soviets, especially with regard to arms control. We must compose Soviet and American anxieties and aspirations if we are to avoid a nuclear holocaust.

But we must never forget the suffering of those millions in the Ukraine, nor the permanent Soviet contempt for human rights and human life that decreed their tragic fate.●

RABBI MENACHEM SCHNEERSON, SHLITA, LUBAVITCHER REBBE

● Mr. HECHT. Mr. President, I invite the attention of my colleagues to the June 23 comments of Rabbi Menachem M. Schneerson, the current leader of the Lubavitch movement.

in his address, Rabbi Schneerson emphasizes his deep desire for religious and moral freedoms throughout the world and the right of every human being to realize these freedoms.

Mr. President, whatever one's views may be on these subjects, Rabbi Schneerson's remarks stress his strong belief in the need to pursue the course of quiet diplomacy and the return to basic beliefs, practices, and ideals. His personal experiences and thoughtful comments reflect the overwhelming sincerity of a highly learned man. For myself and my distinguished colleague and friend, Mr. BOSCHWITZ, I ask that the statement be printed in the RECORD.

The statement follows:

SYNOPSIS OF ADDRESS OF RABBI MENACHEM M. SCHNEERSON, SHLITA, LUBAVITCHER REBBE, 12 TAMMUZ—JUNE 23, 1983

We celebrate today the anniversary of the liberation in 1927 of my saintly father-in-law, Rabbi Joseph I. Schneersohn of blessed memory, preceding leader of the Lubavitch movement. His arrest followed his struggle

for religious freedom and the right of every individual to act according to his religious and moral convictions.

Prominent among those who intervened in his behalf and were instrumental in securing his release and ultimate permission to emigrate, enabling him to continue his beneficial work throughout the world, was the then-incumbent President of the United States. Together with our humble thanks to the Al-mighty G-d, Master of the Universe, for His great kindness, we owe a debt of profound gratitude to those fortunate to be the human agents of the Divine Hand. We express our gratitude to this blessed land and to its government, to the President then and to all who occupied this office to our own day, particularly to its present highly honored incumbent who continues to govern this land with wisdom and justice.

Our Torah teaches that from every occurrence, we must derive a practical lesson applicable to our current situation. From the manner in which the previous Rebbe's release was accomplished, we can gain insight as to which approach to international relations has a greater chance of success.

There are two possible approaches a super power can employ to persuade another super power to adopt a given policy. One is through open, public confrontation or a show of force. The other is through quiet diplomacy.

The successful intervention to secure the previous Rebbe's release demonstrates the efficacy of the second approach. It was quiet, high-level diplomatic efforts which facilitated his release and permission to emigrate.

We mention this in regard to a current pressing issue which can be resolved in a similar manner. Basic to human rights is the freedom to choose where one wishes to live. This universally recognized right has not been fully granted to all citizens of all countries.

Just as silent diplomacy succeeded in 1927, so can it succeed today. To succeed, however, we must separate from this issue any discussion as to the relative merits or superiority of one economic or social system over another. Varying viewpoints on religion or philosophy are irrelevant to this issue. It is important to note that both super powers are signatories to the Human Rights Convention which explicitly guarantees freedom to emigrate.

The time is now opportune. The recent change in Soviet leadership has brought a more positive attitude in this issue, and we are convinced that the new leader of the U.S.S.R. will be amenable to such overtures from high echelons of our government.

At this point we should address ourselves to another issue of vital importance to all citizens of our country. The guarantee of one's freedom and human rights depends upon civilized rules of law and order. The imperative to live a life of law, morality and ethics cannot be based solely upon the citizen's fear of societal reprisal for wrongdoing. It must essentially be derived from a deep awareness of a Supreme Being, an everpresent "Eye that sees and Ear that hears". This concept is basic to all faiths and beliefs, and must be inculcated from early childhood on.

To foster this awareness among all children, enabling them to grow into law-abiding, ethically-minded, productive citizens, we have advocated introduction of a "moment of silence" to start the day in every school in the land, including all public schools. The benefits of increased awareness of the Supreme Being will be reflected in commensurate reduced crime and juvenile delinquency (which have risen so sharply in recent years), and restoration of this great land to its ethical moral ideals, thereby enhancing the welfare and safety of all citizens.

Separation of religion and state is not an issue here. The Founding Fathers of the United States were men who believed in a Supreme Being, and often wrote and spoke about their trust in Him. It is inconceivable that their insistence on freedom of religion was intended to exclude all mention of a Supreme Being from the educational system of the land.

Even if change is required, the Constitution contains a built-in apparatus for change through amendments, "for the People"—for the common good. The Establishment Clause itself, the basis of religious freedom in this land, was such an amendment. New problems, such as the drastic increase in crime, directly attributable to the lack of awareness of a Supreme Being, warrant new measures to correct them and benefit the people. Since parents today play a much-reduced role in their children's education, and more responsibility now rests with the schools, it is the government's duty to ensure that all children be given an opportunity to become aware of the "Eye that sees and Ear that hears."

We are fortunate to have a President who with deep foresight, strongly supports the proposal of a "moment of silence" lending to it the weight of his prestige and position. This bodes well for its adoption by Congress, with the hopeful results that our children will grow up to become law-abiding citizens of this great country, the United States of America.●

THE POLAR BEARS

● Mr. LEVIN. Mr. President, during a recent ceremony at Fort Wayne in Detroit, I had the opportunity to honor the survivors of a World War I regiment of Michigan soldiers who were known as the Polar Bears. Today, I would not only like to honor these survivors of a long-ago and little-remembered military campaign, I would like to honor the lives and spirit of those who died, as well.

On September 12, I presented the group, which fought the Communist revolutionaries in northern Russia at the end of World War I, with documents that were uncovered in my office after 54 years—documents that pay tribute to the brave Michigan soldiers who died in Russia. Last May, 22 members of the statewide Polar Bear Association, the youngest of whom is 87 years old, held what was to be their last reunion at the Book Cadillac Hotel in downtown Detroit. I was grateful that several of these same veterans were able to attend the ceremony at Fort Wayne.

Mr. President, the uncovered documents, two 1929 CONGRESSIONAL RECORD reprints of a Senate tribute to the Polar Bears by the late Senator Arthur H. Vandenberg, Republican from Michigan, were discovered by a carpenter who was refurbishing a storage closet in the office suite to which I recently moved on the fourth floor of the Russell Senate Office Building. The CONGRESSIONAL RECORD reprints, which had fallen behind a shelf, led to the discovery that Senator Vandenberg occupied from 1929 to 1940, the same offices.

Senator Vandenberg, who as we all know, was a highly respected and distinguished Member of this Chamber remembered for his efforts to forge a bipartisan foreign policy, reported to the Senate in an eloquent speech on October 7, 1929, that "cablegrams from the north of Russia this week announce the successful culmination of one of the most poignant pilgrimages in American history." Senator Vandenberg went on to describe the efforts of a Veterans of Foreign Wars (VFW) delegation sent to Russia to retrieve the bodies of Michigan men who died fighting in the Soviet Union in 1918–19 and listed the names of 175 Michigan men killed there. He also listed the names of nearly 1,300 Michigan casualties of World War I who were buried in Europe.

Senator Vandenberg said:

> There was little romance to soften the hard duty befalling these "Polar Bears," as they subsequently have become known, upon the obscure and dubious errand which our World War strategy assigned to them far, far from the western front . . . It was desperate business amid the bitterest exposure. It was patriotism under acid test. If ever homage was deserved it is by such patriots as these.

Mr. President, a polar bear monument marks the gravesites of 86 Detroit-area men buried in White Chapel Cemetery in Troy, Mich., after their remains were returned to Michigan by the VFW delegation.

In 1918, before the November armistice was signed ending the Great War, the 5,500 troops of the 339th Infantry Regiment—known as Detroit's Own because 70 percent of the nearly all-Michigan regiment were from the city—were shipped to England and assigned to an Allied Expeditionary Force under British command.

Soon after they sailed for the north Russian city of Archangel, inside the Arctic circle. Their mission was to guard supplies sent to czarist Russia, which had fought with the Allies against Germany. Instead the Michigan men were ordered into combat against the Bolshevik revolutionaries who were then fighting the white Russian counter-revolutionaries.

The 339th Infantry Regiment fought on past the armistice and into the winter and spring of 1919, contending with harsh conditions and temperatures that fell to more than 50° below zero. The soldiers dubbed their unit the Polar Bears as a reminder of the frigid conditions in which they served.

Mr. President, I ask for a somewhat unusual request, but one befitting of

the bravery and patriotism shown by the Polar Bears: I ask to resubmit Senator Vandenberg's CONGRESSIONAL RECORD reprint.

The reprint follows:

[From the CONGRESSIONAL RECORD, Seventy-First Congress, First Session, Oct. 7, 1929]

MICHIGAN'S WAR DEAD

BURIAL IN EUROPE OF WORLD WAR SOLDIERS FROM MICHIGAN

(Remarks of Hon. A. H. Vandenberg of Michigan, In the Senate of the United States, Monday, October 7, 1929)

Mr. VANDENBERG. Mr. President, cablegrams from the north of Russia this week announce the successful culmination of one of the most poignant patriot pilgrimages in American history. Back upon this bleak, mysterious, and inscrutable World War front the lost graves of our martyred dead at last have been found by official groups of their own faithful and unforgetting buddies.

Most of these brave boys who last saw their country's flag upon strange and unsupported battle lines in this far north Russian country were from Michigan. From Michigan largely came the impulse which after 10 years has insisted that these honored dead once more should know the Stars and Stripes above their last, long home. The precious adventure has succeeded. Back to Michigan these sons are coming home.

I am advised from Archangel, outpost on the rim of a far-distant world, that the mortal remains of nearly 100 of these martyrs have been redeemed from unmarked and unknown ground. It is a solemn, yet a thrilling achievement.

There was little romance to soften the hard duty befalling these "Polar Bears," as they subsequently have become known, upon the obscure and dubious errand which our World War strategy assigned to them far, far from the western front. The more the honor that is their due for fathful service rendered. It was desperate business amid the bitterest exposure. It was patriotism under acid test. If ever homage was deserved it is by such patriots as these.

Under loving escort these dead are now bound for the United States. In another month they will arrive. I am assured by the War and Navy Departments that all honors will be paid the sacred pilgrimage when it arrives. Michigan similarly will do her full share in these sacrificial obsequies. In addition, I beg the Senate's indulgence for this memorial contribution to our own records. I ask unanimous consent to print in the CONGRESSIONAL RECORD the names of these sons of Michigan who died for their country on this north Russian front in the World War.

The VICE PRESIDENT. Without objection, it is so ordered.

The list is as follows:

LIST OF NAMES OF SOLDIERS FROM THE STATE OF MICHIGAN WHO DIED IN NORTH RUSSIA

Name	Serial No.	Rank and organization
Ballard, Clifford B		2d lt., M. G. Co., 339th Inf.
Agnew, John	2021637	Sgt., Co. K, 339th Inf.
Angove, John P	2983406	Pvt., Co. B, 339th Inf.
Asire, Myron J	2031390	Pvt., 1 cl., Co. A, 310th Engr.
Auslander, Floyd R	2052911	Pvt., 1 cl., Co. H, 339th Inf.
Avery, Harley	2052896	Pvt., Co. H, 339th Inf.
Babinger, William E	2021926	Cpl., Hq. Co., 339th Inf.
Bayer, Arthur C	2981652	Pvt., Co. C, 339th Inf.
Bayer, Charles	2021207	Pvt., Co. F, 339th Inf.
Berger, Carl G	2021737	Wag., Sup. Co., 339th Inf.
Berry, Ernest R	2051814	Pvt., Co. F, 339th Inf.
Berryhill, Chester W	2053404	Do.
Bigelow, John W	2981826	Pvt., Co. E, 339th Inf.

LIST OF NAMES OF SOLDIERS FROM THE STATE OF MICHIGAN WHO DIED IN NORTH RUSSIA—Continued

Name	Serial No.	Rank and organization
Bloom, Helmer	2031395	Sgt., 1 cl., Co. A, 310th Engr.
Boreson, John	2054102	Pvt., Co. H, 339th Inf.
Bosel, John J	2050508	Cpl., Co. C, 339th Inf.
Bowman, William H	2020842	Sgt., Co. B, 339th Inf.
Brieve, Joseph	2980123	Pvt., Co. E, 339th Inf.
Burdick, Andrew T	2984233	Pvt., Co. B, 339th Inf.
Byles, James B	2022202	Pvt., Sup. Co., 339th Inf.
Campbell, Martin J	2021108	Cpl., Co. E, 339th Inf.
Cannizzaro, Rafield	2982005	Pvt., Co. K, 339th Inf.
Carter, James	2021948	Pvt., Hq. Co., 339th Inf.
Carter, William J	2043695	Pvt., 1 cl., Co. A, 339th Inf.
Christian, Arthur	2986131	Pvt., Co. L, 339th Inf.
Ciesielski, Walter	2048968	Pvt., 1 cl., Co. E, 339th Inf.
Clark, Clyde	2986001	Pvt., Co. L, 339th Inf.
Clark, Joshua	2047349	Pvt., Co. C, 339th Inf.
Clemens, Raymond C	2981406	Do.
Clish, Frank M	2053395	Pvt., Co. B, 339th Inf.
Cole, Elmer B	2020756	Pvt., Co. A, 339th Inf.
Connor, Lloyd	2031408	Cpl., Co. A, 310th Engr.
Conrad, Rex H	2051613	Cpl., Co. F, 339th Inf.
Cook, Clarence R	2020758	Pvt., Co. A, 339th Inf.
Cronin, Lewis	2050691	Pvt., 1 cl., Co. K, 339th Inf.
Crook Alva	2982307	Pvt., Co. M, 339th Inf.
Cwenk, Joseph	2041692	Pvt., 1 cl., Co. A, 339th Inf.
Deamicis, Guissepi	2042211	Cpl., Co. A, 339th Inf.
Detzler, Allick F	2052170	Pvt., Co. B, 339th Inf.
Dial, Charles O	2021851	Mech., Co. M, 339th Inf.
Dunaetz, Isadore	2051025	Pvt., Co. C, 339th Inf.
Dusablon, William H	2054247	Pvt., Co. I, 339th Inf.
Dyment, Schiloma	2041417	Pvt., Co. M, 339th Inf.
Easley, Albert H	2982436	Pvt., Co. L, 339th Inf.
Farrand, Ray	2051858	Pvt., Co. I, 339th Inf.
Fields, Clarence	2054250	Pvt., Co. E, 339th Inf.
Finnegan, Leo N	2981495	Pvt., Co. B, 339th Inf.
Foley, Morris J	2020857	Cpl., Co. B, 339th Inf.
Frank, Arthur A	2022141	Pvt., M. G. Co., 339th Inf.
Franklin, Walter E	2985888	Pvt., Co. E, 339th Inf.
Frucce, John	2982806	Pvt., Co. H, 339th Inf.
Fuller, Alfred W	2980106	Pvt., Co. K, 339th Inf.
Gariepy, Henry	2931114	1st sgt., Co. B, 339th Inf.
Gasper, Leo	2030041	Pvt., Co. B, 339th Inf.
Gauch, Charles D	2042972	Pvt., Hq. Co., 339th Inf.
Gottschalk, Milton E	2020770	Cpl., Co. A, 339th Inf.
Graham, Claus	2054401	Pvt., Co. H, 339th Inf.
Gresser, Joseph A	2054358	Pvt., Co. C, 339th Inf.
Grewe, Bernard C	2042436	Sgt., Co. K, 339th Inf.
Gutowski, Boleslaw	2052845	Pvt., Co. C, 339th Inf.
Hannon, John T	2986523	Pvt., 1 cl., Co. A, 339th Inf.
Hendy, Alfred H	2052558	Pvt., Co. C, 339th Inf.
Hodgson, Fred L	2054397	Pvt., Co. L, 339th Inf.
Hunt, Bert	2980253	Pvt., Co. D, 339th Inf.
Hutchinson, Alfred G	2047958	Pvt., Co. A, 339th Inf.
Ida, James T	2019015	Pvt., 337 Amb. Co., 310th San Tr.
Jackson, Jesse C	2021991	Pvt., 1 cl., Hq. Co., 339th Inf.
Jenks, Stillman V	2981423	Pvt., 1 cl., Co. A, 339th Inf.
Jonker, Nicholas	2981459	Pvt., Co. C, 339th Inf.
Jordan, Carl B	2981382	Pvt., Co. B, 339th Inf.
Kalaska, Joseph	2052289	Pvt., Co. I, 339th Inf.
Kenney, Michael J	2021671	Sgt., Co. K, 339th Inf.
Kenny, Bernard F	2031129	Cpl., Co. A, 339th Inf.
Kiecz, Andrzci	2020958	Pvt., Co. C, 339th Inf.
Kieffer, Simon P	2043240	Pvt., M. G. Co. 339th Inf.
Kistler, Herbert B	2984321	Pvt., Co. I, 339, Inf.
Kozlowsky, Mattios	2021478	Pvt., 1 cl., Co. H, 339th Inf.
Kreizinger, Edward	2021767	Cpl., Co. L, 339th Inf.
Kroll, John Jr	2980404	Pvt., Co. D, 339th Inf.
Kukla, Valentin	2986398	Pvt., Co. K, 339th Inf.
Kurowski, Max J	2981544	Pvt., Co. A, 339th Inf.
Kwasniewski, Igancy, II	2021585	Mech., Co. I, 339th Inf.
Lauzon, Henry	2984384	Pvt., Co. L, 339th Inf.
Lehmann, William J	2020786	Cpl., Co. A, 339th Inf.
Lyttle, Alfred E	2031460	Cpl., Co. A, 310th Engr.
McDonald, Angus	2982389	Pvt., Co. E, 339th Inf.
McLaughlin, Frank L	2981701	Pvt., Co. I, 339th Inf.
McTavish, Stewart M	2020790	Pvt., 1 cl., Co. A, 339th Inf.
Malm, Clarence A	2032894	Pvt., Co. G, 339th Inf.
Marchlewski, Joseph W	2053164	Do.
Marriott, Fred R	2020883	Sgt., Co. B, 339th Inf.
Martin, William J	2984430	Pvt., Co. A, 339th Inf.
Maybaum, Harold	2053222	Pvt., Co. E, 339th Inf.
Mead, William	2980033	Pvt., Co. F, 339th Inf.
Meister, Emanuel	2022161	Sgt., M. G. Co., 339th Inf.
Merrick, Walter A	2052506	Pvt., Co. M, 339th Inf.
Mertens, Edward L	2021774	Cpl., Co. L, 339th Inf.
Michel, Louis F	2054385	Pvt., Co. C, 339th Inf.
Moore, Albert E	2051357	Cpl., Co. A, 339th Inf.
Mylon, James J	2021164	Cpl., Co. E, 339th Inf.
Negake, William W	2981541	Pvt., Co. H, 339th Inf.
Neri, Vincent	2020975	Bug., Co. C, 339th Inf.
Nichols, Charles	2054992	Pvt., Co. B, 339th Inf.
Nunn, Arthur	2980251	Pvt., Co. M, 339th Inf.
O'Brien, Raymond A	2020891	Pvt., Hq. Co., 339th Inf.
O'Connor, Lawrence S	2054342	Cpl., Co. C, 339th Inf.
Ozdarski, Joseph S	2021783	Pvt., Co. L, 339th Inf.
Parrott, Jesse F	2051820	Pvt., Co. K, 339th Inf.
Patrick, Ralph M	2048653	Pvt., Co. A, 339th Inf.
Pawlak, Joseph	2049353	Pvt., Co. B, 339th Inf.
Peltom, Henry	2985918	Pvt., Co. A, 310th Engr.
Peterson, August B	2981777	Pvt., Co. H, 339th Inf.
Petraska, Oscar H	2980235	Pvt., Co. K, 339th Inf.
Pilarski, Alexander	2049806	Pvt., Co. B, 339th Inf.
Pitts, Jay B	2981795	Pvt., Co. G, 339th Inf.
Poth, Russell A	2052347	Pvt., Co. A, 339th Inf.

LIST OF NAMES OF SOLDIERS FROM THE STATE OF MICHIGAN WHO DIED IN NORTH RUSSIA—Continued

Name	Serial No.	Rank and organization
Potulski, John J	2054147	Pvt., Co. K, 339th Inf.
Ramotowske, Josef	2021507	Pvt., 1 cl., Co. H, 339th Inf.
Rauschenberger, Albert	2981247	Cpl., Co. A, 339th Inf.
Redmond, Nathan L	2021509	Cpl., Co. H, 339th Inf.
Richardson, Eugene E	2021514	Do.
Richey, August K	2054442	Cpl., Co. A, 339th Inf.
Rickert, Albert F	2052928	Pvt., Co. C, 339th Inf.
Robbins, Daniel	2053355	Pvt., Co. B, 339th Inf.
Rodgers, Yates K	2020805	Sgt., Co. A, 339th Inf.
Rose, Floyd H	2983535	Pvt., Co. I, 339th Inf.
Rowe, Ezra T	2981303	Pvt., M. G. Co., 339th Inf.
Russell, Archie E	2981327	Pvt., 1 cl., Co. A, 339th Inf.
Russell, William H	2021902	Cpl., Co. M, 339th Inf.
Ruth, Frank J	2044788	Pvt., Co. B, 339th Inf.
Rynbrandt, Raymond	2054853	Pvt., Co. D, 339th Inf.
Sapp, Frank E	2981789	Cpl., Co. M, 339th Inf.
Savada, John	2041678	Cpl., Co. B, 339th Inf.
Schepel, Tiemon	2054882	Pvt., Co. D, 339th Inf.
Schroeder, Herbert A	2041747	Cpl., Co. B, 339th Inf.
Scott, Perry C	2022073	Cpl., Hq. Co., 339th Inf.
Shingledecker, Dwight	2980294	Pvt., Co. A, 339th Inf.
Sickles, Floyd A	2052492	Pvt., Co. M, 339th Inf.
Skocclas, Andrew	2980340	Pvt., Co. C, 339th Inf.
Smith, George J	2051549	Pvt., Co. A, 339th Inf.
Smith, Wilbur B	2020990	Sgt., Co. C, 339th Inf.
Soczkoski, Anthony	2021620	Pvt., Co. I, 339th Inf.
Sokol, Philip	2044132	Pvt., Co. L, 339th Inf.
Speicher, Elmer E	2042323	Cook, Co. C, 339th Inf.
Staley, Glenn P	2052777	Pvt., Co. K, 339th Inf.
Stier, Victor	2041538	Pvt., Co. A, 339th Inf.
Stocken, Orville I	2053647	Do.
Surran, Harry H	2980254	Pvt., Co. A, 339th Inf.
Sweet, Earl D	2054020	Do.
Syska, Frank	2980054	Pvt., Co. D, 339th Inf.
Szymanski, Louis A	2042585	Pvt., Co. C, 339th Inf.
Tamas, Stanley P	2984284	Pvt., Co. D, 339th Inf.
Tegges, William G	2022093	Pvt., Hq. Co., 339th Inf.
Thompson, Henry	2054233	Pvt., Co. A, 339th Inf.
Van Der Meer, John	2984234	Pvt., Co. B, 339th Inf.
Van Herwynen, John	2054857	Pvt., Co. D, 339th Inf.
Wadsworth, Lawrence L	2042393	Pvt., Co. I, 339th Inf.
Wagner, Harold H	2981758	Pvt., 1 cl., Co. E, 339th Inf.
Waldeyer, Norbert C	2980132	Pvt., Co. D, 339th Inf.
Weaver, Louis O	2980195	Pvt., Co. A, 339th Inf.
Weesner, Clifford E	2981807	Pvt., Co. F, 339th Inf.
Weitzel, Henry R	2053339	Pvt., Co. C, 339th Inf.
Welstead, Walter J	2053801	Pvt., Co. A, 339th Inf.
Wenger, Irvin	2981444	Pvt., Co. C, 339th Inf.
Westrhof, John T	2981337	Pvt., Co. B, 339th Inf.
Whitford, Jason J	2052695	Pvt., Co. C, 339th Inf.
Williams, Edson A	2041492	Pvt., Co. A, 339th Inf.
Wilson, Dale L	2981901	Pvt., Co. B, 339th Inf.
Wing, Homer	2042146	Pvt., 1 cl., Co. A, 310th Engrs.
Witt, Louis C	2043554	Pvt., Hq. Co., 339th Inf.
Wood, Stewart W	2020998	Cpl., Co. C, 339th Inf.
Young, Edward L	2021418	Sgt., Co. G, 339th Inf.
Zajackowski, John	2041939	Pvt., Co. B, 339th Inf.
Ziegenbein, William J	2031516	Sgt., Co. A, 310th Engrs.
Zlotcha, Mike	2052767	Pvt., Co. E, 339th Inf.

Mr. VANDENBERG. At this same time, Mr. President, it seems to me that the patriot inventory should be made complete.

There is no "front" on any battle line in any war in which the United States has engaged since Michigan entered the sisterhood of States that has not been hallowed with Michigan's patriot blood. Unfailingly and unstintingly our State always has walked the Nation's sentry posts, whether in the travail of the rebellion, or in the challenge of 1898, or in the bitter crisis of 1917-18 when Columbia commanded our young manhood to put its heart upon the altars of the world.

We pretend no monopoly upon this patriotism. On the contrary, we proudly acknowledge that we thus have but done our share in the fraternity of a common national defense. Yet we may be forgiven a special and a solemn pride that our "share" has been prodigal.

All sons of Michigan who thus have borne their country's colors alike are decorated with the affections of their Commonwealth. They need no eulogy. It is most eloquently provided by their own services. Nor would we differentiate between the living and the dead. Nor between those who sleep in the soil they helped to save and those whose long, last home is on a foreign strand.

But, Mr. President, there is something particularly poignant in contemplation of this latter group. It seems to me that they have earned a particular and a peculiar emphasis so that none who follow after may remotely suspect that the seas have separated them from our grateful memories. Such is not the fact. Best evidence to the contrary is furnished by this present pilgrimage which is searching northern Russia for the only graves which our own Government heretofore has neglected—Michigan graves in large degree, because it was almost exclusively Michigan troops who held this remote but fatefully dangerous line. Other evidence is eloquently furnished by the tender and unremitting care which we give to hallowed ground in those Old World cemeteries which are peopled with the living spirits of those American martyrs whom "taps" gave to eternity. Still further evidence is furnished by the recent action of the Congress in arranging that our gold-star mothers may be the Nation's guests in journey to these gold-star shrines.

No, we have not forgotten. The impulse toward universal peace—remembering always that the peace and honor of our own America is first charge upon our consciences—is one of the memorials to those who died that we may live. The impulse to democratize our national defense—insisting hereafter, in the unforeseen and unhappy event of another war, that every material as well as human resource shall submit to common draft for the common cause—is another very practical memorial. Yet another is the practice of the utmost liberality, consistent with our immense resources, not only in adequate pensions for the Nation's wards from former wars but also and particularly in the generous and sympathetic and understanding administration of Federal aid, shorn of all possible technicalities, for those World War veterans who now battle life under the handicap of incapacity inherited from service and from hazards which we civilians never faced.

We have not forgotten, Mr. President. But in the light of this precious reclamation now proceeding on that old Russian front, I take the occasion to put Michigan's record in this general connection into the permanent archives of the Republic.●

HUMAN RIGHTS IN THE UKRAINE

● Mr. LAUTENBERG. Mr. President, 50 years ago the Ukrainian people faced the brutally enforced collectivization program of the Soviet Government. In a brave struggle against loss of their land and their basic rights, millions of Ukrainians perished from starvation, physical abuse, and internment. What was then known as a great famine or natural disaster, we now know was a broad and orchestrated campaign by the Soviet Government.

I am pleased to join as a cosponsor of Senate Concurrent Resolution 70 today to pay tribute to the victims of this tragedy and to add to congressional expressions of resolve to see basic human rights respected everywhere. This resolution condemns the policies of the Soviet Union, then and now, that systematically disregard human rights and liberties. It calls upon the President to proclaim May 24, 1984, as a day to commemorate the 50th anniversary of the first congressional condemnation of the Ukrainian famine. And it also urges a new diplomatic effort to press the Soviet Government to remove current restrictions on food parcels and other necessities sent to Soviet citizens by private individuals and charitable organizations.

Earlier this week, Washington was the scene of a serious demonstration organized by the National Committee to Commemorate Genocide Victims in Ukraine 1932-33. Thousands, many from New Jersey, gathered as close as they could to the Embassy of the U.S.S.R. here to commemorate the victims of the famine. But the larger message relates to a continuing struggle, by Ukrainians and by others in the Soviet Union, for basic human rights. It is a struggle that the Congress of the United States will never ignore.●

WILLIAM H. KENNEDY, JR.

● Mr. PRYOR. Mr. President, tomorrow the American Bankers Association begins its annual convention and marks the end of the presidency of William H. Kennedy, Jr., of Pine Bluff, Ark.

Bill Kennedy has led the ABA through 12 critical months, a time when the industry was struggling with the effects of deregulation and competition from new, nonbank sources. He led the successful fight against the withholding of interest and dividend payments, the most massive grassroots campaign Washington has ever seen, and was able to reconcile the interests of both large and small banks on a variety of issues.

Federal Reserve Chairman Paul Volcker has said of Kennedy: "His calm and commonsense manner in the midst of all of the bank turmoil and change have been important for banking and the country at large."

Bill Kennedy has worn many hats in his career. He is president and chairman of the board of the National Bank of Commerce in Pine Bluff and has been active for many years in the American Bankers Association. Bill has also promoted industrial development in our region by serving as director of the Jefferson County Industrial Foundation, president of the Arkansas Basin Association, a trustee of the Midwest Research Institute, chairman of the Arkansas State Chamber of Commerce, the Pine Bluff Chamber of Commerce, the Arkansas State Council on Economic Education and the Arkansas Waterways Commission. He is a retired colonel in the U.S. Marine Corps Reserves and a hero of the battle at Iwo Jima, with a Purple Heart and a Silver Star.

In a recent poll by U.S. News & World Report, Bill was chosen by members of the financial community as the third most influential financial leader in the Nation, behind only the chairman of Citicorp and the chairman of the Federal Reserve. That is not bad for a country banker from Pine Bluff, Ark.

Bill and his wife Marylena have done a magnificent job representing the State of Arkansas and the banking community as a whole during this past year, and I am sure my colleagues join me in wishing them all the best in the days to come.●

STATECRAFT AND STRATEGY IN THE NUCLEAR SHADOW

● Mr. GOLDWATER. Mr. President, recently I received a copy of the statement of policy adopted by the Air Force Association at their annual national convention held here in Washington last month. This policy statement makes several very good points in outlining the breadth and scale of our national security mechanism at the present time. Not only does the statement highlight our capabilities but it points out, as a fundamental national security requirement, that we must continue a steadfast national commitment to rebuild and maintain our essential defense capabilities. We have made substantial progress in redressing some errors of the past by rebuilding our Nation's defenses in many areas. However, unless this progress is to continue, we put at risk our precious freedoms. As quoted in the policy statement, in the words of President Eisenhower, "In the final choice, a soldier's pack is not so heavy a burden as a prisoner's chains." That statement says something to all of us.

There are thoughts in this policy statement which encompass the spectrum of our Nation's current political and military activities. I urge my colleagues to read this statement and to digest the very important messages contained therein.

Mr. President, I ask that the Air Force Association's 1983-84 statement of policy be inserted in the RECORD following my remarks.

The article follows:

STATECRAFT AND STRATEGY IN THE NUCLEAR SHADOW

United States military policy is, and throughout history has been, defensive. Our armed forces, and the doctrines that guide them, are structured accordingly. We don't create huge military arsenals to conquer or coerce. Our forces exist to keep others from using force against us and our allies. We seek to deter rather than fight wars. But hollow deterrence based on bluff weakens rather than strengthens peace; reliable deterrence is achieved only if potential aggressors know clearly that they would confront determined, combat-ready forces they cannot defeat. Our overriding concern obviously must be deterrence of the most destructive form of conflict, nuclear war. The world today lives in the shadow of nuclear weapons; we cannot wish them away or dis-

invent them even though the abhorrence of nuclear war and the desire to prevent holocaust are shared by rational people. And yet, we must remember the last conventional global war cost 40,000,000 to 50,000,000 lives, and that this nuclear shadow has prevented conventional war between major nations for thirty-eight years, the longest period in modern history.

If we want to lower the risk of nuclear war, we must build and maintain the forces that prevent it. This logic may not be comfortable but it is sound, for the principle of deterrence is as old as the history of warfare and has not been changed by the advent of nuclear weapons. What has changed is that the stakes of deterrence have increased in step with the deadliness of nuclear arsenals. The central requirement of effective nuclear deterrence is for the Soviet leadership to remain convinced that we have the capability and will to respond to aggression by denying Moscow its political and military objectives and impose on the USSR costs that outweigh any potential gain. In turn, this requires that we have the capability to hold at risk that which the Soviet leadership itself values most—military and political control, military forces, both nuclear and conventional, and that critical industrial capability which sustains war. Moreover, we must maintain this capability, at appropriate countervailing levels, whether the Soviet Union consents to equitable arms reduction or not.

This Association's longstanding contention that the US can no more negotiate from a position of weakness than it can deter through inferiority is as valid as ever. Arms-control objectives and strategic capabilities must be shaped for mutual support and serve the common goal of a stable military balance and, hence, peace. Effective arms control can and should be an essential tool for lessening the danger of nuclear war. But no negotiations can change the fact that this country and the Soviet Union are ideological and geopolitical adversaries.

The Soviet Union regards arms control as a competitive process which serves both political and military objectives. Politically, the Soviet Union poses as a champion of peace and frequently advances propagandistic arms-control initiatives. Many of these are one-sided, impractical, unverifiable, and not really intended to control armaments or even to be adopted in practice.

At the same time, the Soviet Union also advances proposals that are aimed at achieving military as well as political benefits. The Soviets seek to place constraints on US technological advantages while protecting their own military advantages.

If follows that arms-control agreements with a highly secretive adversary like the Soviet Union cannot be based simply on trust. There must be effective means of verification that enable the US to know with confidence whether the terms of agreements are being honored. In practice, this means the US must be able to monitor activities in the areas covered by these treaties in order to detect any violations at a very early stage. Arms-control agreements that cannot be verified and enforced effectively are worse than no accords at all.

This Association believes also that US arms-control policies must not focus on the threat of nuclear war to the exclusion of the threat of totalitarian imperialism. We must prevent the former while containing the latter. At the same time arms-control policies must not become entangled in domestic partisan politics. The formulation of this nation's arms-control policy is not a contest between supporters of peace and supporters of war, but an issue of statecraft that preserves both liberty and peace. There is reason to fear that the national discourse over arms control is being subverted into sloganeering exercises by those who favor arms control at any price. Arms-control accords that do not lessen the danger of war and undermine further the strategic balance—or especially a unilateral nuclear freeze—may serve temporarily the propagandists of the peace movement. But they do not serve the cause of peace. In fact, they increase the risk of nuclear war.

The positions taken by this Association previously on this issue are worth repeating: Domestic and international groups promoting simplistically an immediate nuclear freeze are achieving ends diametrically opposed to their own professed goals of nuclear stability and arms reduction. Such a freeze would leave us with a permanently weakened deterrent posture and perpetuate the very vulnerabilities and inadequacies we are making great efforts to correct.

A nuclear freeze would decrease strategic stability and grant the Soviets, without incentive to reciprocate, their major objectives in the START (Strategic Arms Reduction Talks) and INF (Intermediate-range Nuclear Force) negotiations. Concurrent with the nuclear freeze movement is a campaign against the first use of nuclear weapons, especially so far as NATO is concerned. The claimed Soviet "no-first-use" policy is deceptive. The North Atlantic Treaty Organization is a defensive alliance, with a longstanding policy that no NATO weapon of any kind will ever be used for aggressive purposes. NATO's doctrine of deterrence and flexible response links the U.S. strategic forces with NATO's conventional and nuclear forces in Europe to deter aggression of any kind.

The Soviets continue to maneuver toward a joint pledge of no first use of nuclear weapons, an idea that is finding a sympathetic echo in the U.S. and other NATO countries. A no-first-nuclear-use policy would undermine the Alliance's strategy of flexible response, necessitate large increases in expenditures for conventional forces, foster the impression that the U.S. commitment to NATO has been reduced, and leave entirely to the Soviets the initiative and timing of conflict escalation. This Association believes that NATO's policy of no first use of military force is more effective, credible, and workable than a promise not to use nuclear weapons after an attack has begun.

Therefore, deployment of the full complement of US Pershing II and ground-launched cruise missiles must proceed on schedule to offset the destabilizing, one-sided Soviet advantage in intermediate-range nuclear forces in Europe. There is no inconsistency in deploying these weapons while the US and the Soviet Union engage in negotiations that seek balanced, equitable, and verifiable reductions in the two sides' arsenals.

The central harsh lesson of past arms negotiations with the Soviets is that they have yet to give up an advantage that they did not have to give up. The way to peace is through painstaking negotiations from a position of US strength. In the strategic nuclear sector, recommendations by the President's Commission on Strategic Forces, adopted in full by the Administration, provide the formula for rebuilding this strength. This plan provides for an integrated, mutually reinforcing approach to modernizing the nation's strategic forces consonant with our arms-reduction policy. We urge Congress to adopt the administration's recommendations in their entirety and provide the long-term funding needed to bring these vitually needed forces and weapons into being. Deletion of any one element of this integrated modernization proposal could cause its unraveling. The consequences to the nation's ability to deter nuclear conflict could be grave. The Administration's five-pronged strategic force modernization program—consisting of ICBMs, strategic bombers, the Trident force, improved, survivable command and control systems, and revitalized strategic defenses—will ensure that the nation's nuclear forces could survive a Soviet first strike and retaliate. At the same time, this program provides essential leverage for equitable arms reduction; it does not move the world toward nuclear war but away from it.

Modernization of US military capabilities, this Association believes, is imperative because of the scope and tempo of the Soviet weapons programs that outdistance this country's efforts in vital areas. The Soviets, over the past year, have begun testing new models in almost every class of nuclear weapons. They are dramatically expanding their Navy and Air Force. Their ground forces are being trained and equipped for preemptive attack. And they are using their military power to extend their influence and enforce their will—directly or with the help of surrogates—in every corner of the globe.

Exacerbating the problem is Soviet progress in narrowing or eliminating the technological gap between us and them. A key reason for this advance is that the Soviets have the world's largest R&D manpower—estimated at more than 900,000 scientists and engineers—compared to fewer than 700,000 on the part of the United States. The percentage of Soviet R&D manpower engaged in defense-related work is between fifty and seventy-five percent of the total number.

Supporting this force is the world's largest military-industrial base that includes more than 150 major plants located throughout the USSR. In turn, these key facilities are supported by a network of thousands of feeder plants. In recent years, the military has absorbed about fifteen percent of the Gross National Product of the USSR, compared to less than seven percent for the US, and, if current trends continue, the Soviet military share of the GNP will approach twenty percent by the late 1980s. Soviet military investments over the past decade were eighty percent higher than US investments; in terms of R&D spending, the Soviets topped the US investment by about seventy percent over the same period.

The main role of the Soviet war machine clearly is to undergird the step-by-step extension of Soviet influence and control by instilling fear and promoting paralysis, by sapping the vitality of collective security arrangements, by subversion, and by coercive political actions of every kind.

The latest manifestation of Soviet power politics is the crisis they and their surrogates are fanning in Central America. Enlightened self-interest—including our own national security requirements and those of our allies and friends—necessitates that the United States counter by diplomatic, economic, and other means Soviet, or Soviet-aided, efforts to set up Marxist governments anywhere, but especially at our doorstep. Military assistance, including training of

anti-Communist forces, must be intensified to keep Moscow and its surrogates from toppling non-Marxist governments in that area and transforming these countries into Soviet satellites.

Our national security policy seeks to deter war at any level and of any kind. It follows that our military forces must be structured to provide an umbrella of military power that extends from strategic nuclear war and deterrence of space combat through conventional combat to special operations. In this context, this Association has, and continues to advocate, vigorous and prudent tapping of technological opportunities to provide our armed forces with the most potent tools and capabilities for deterring or, if need be, for winning wars. But the pursuit of technology must not become a substitute for sustainable, field-proven capabilities. Theoretical technological feasibilities at some uncertain future date are no substitute for forces in being and prudent development of technology that fills requirements established and formulated by combat-tested military professionals. Shunting aside technological evolution that builds on sound military doctrines and experience in favor of speculative approaches of uncertain military validity is likely to yield both poor defense and poor technology. The nation can afford neither.

The cause of deterrence is served best by increasing the warfighting capabilities of the armed forces. There is need for continued improvements in the readiness and staying power as well as modernization of the general-purpose forces, enhancement of mobility and airlift capabilities, and expansion and modernization of tactical forces. In turn, these capabilities must be built on the bedrock of readiness and sustainability, top-notch, realistic training, and, first and foremost, the dedication, motivation, and professionalism of the men and women serving in the Air Force and the other services. The nation must safeguard the central advantage that underlies our defense posture—the well-trained, experienced professionals of its armed forces.

The Air Force Association applauds increased recognition of the total joint character of national defense and concerted efforts to avoid separate, narrow approaches that duplicate capabilities. No service fights alone. They must plan and exercise together just as they would fight—shoulder to shoulder.

This Association sees, as the overriding national security requirement continuation of a steadfast national commitment to rebuild and maintain essential defense capabilities. The progress that is being made must continue through steady growth in defense funding levels in line with sound, long-term planning strategies. The preservation of America's heritage of freedom and liberty is well worth this price for, in the words of President Eisenhower, "in the final choice, a soldier's pack is not so heavy a burden as a prisoner's chains."●

A MAJOR HOUSING AUTHORIZATION BILL

● Mr. METZENBAUM. Mr. President, I am deeply disturbed by the announcement made last week by the chairman of the Senate Banking Committee that the Senate will not pass a housing authorization bill this year.

If this is so, it will be the third year in a row Congress has failed to enact a major housing authorization bill.

For nearly 50 years, this Nation was committed to the principle that every citizen deserved a decent home and a suitable living environment.

That basic principle was never a partisan issue.

Consistently, Democrats and Republicans in the Senate and the House worked together to meet the housing needs of lower income Americans.

Administrations of both parties made low-income housing a high priority.

And we made progress.

The 1940 census revealed that 46 percent of the Nation's occupied housing units were without modern plumbing. That figure today is under 5 percent.

In 1940, 18.1 percent of occupied buildings were dilapidated and in need of major repair. Today, the figure is under 3 percent.

Nine percent of all housing in 1940 was described by the census as overcrowded. Today, it is 0.9 percent.

In 1981, however, when the Reagan administration came to power, the Federal Government began to reverse its longstanding commitment to low-income housing.

This administration has sharply reduced virtually all social programs. But in housing, the cuts have truly been draconian.

Immediately after taking office, President Reagan requested, and received, a rescission of $5.2 billion in fiscal year 1981 budget authority for public housing and section 8 units.

Less than 2 months after signing the $17 billion fiscal year 1982 HUD Appropriations bill, President Reagan attempted to rescind $9 billion of that amount.

The President's January budget request for additional low-income housing assistance for fiscal year 1984 is, in constant dollars, only 1.2 percent of the level proposed by President Ford just before he left office. It is one-sixtieth of the amount appropriated by Congress in fiscal 1981 before the Reagan cuts, cancellations and rescissions.

Consider for a moment the effect of these cuts on low-income housing programs.

Substantial rehabiliation of section 8 and public housing has been largely eliminated. So has new construction.

Modernization of public housing units has been cut back.

Tenant rents have been raised.

Eligibility for housing assistance has been tightened.

In addition, the administration has recaptured $8.5 billion appropriated in previous years for housing construction. Projects in cities all over the country have been canceled.

In just 3 short years, this administration has halted 50 years of progress toward housing the poor of this country.

But housing is not all bricks and mortar. I draw your attention to a whole series of rent increases which the administration is now attempting to impose by regulation.

These include changes in the definition of income, which would eliminate deductions for medical expenses and day care expenses and alterations in the method by which fair market rents are calculated in the existing section 8 program. Only congressional objection prevented the administration from including the value of food stamps in the income calculation.

And I would point out, Mr. President, that all of this comes on top of an increase from 25 to 30 percent in the percentage of income assisted housing tenants are required to pay as rent.

This administration may believe that it can make problems go away by pretending that they do not exist. But the fact is that President Reagan's own commission on housing has estimated that there are 20 million American families with incomes below 50 percent of the median. And only one out of every eight of these households now lives in subsidized housing.

The fact is, we cannot continue to make cuts on the Reagan scale and still expect to have a housing program that begins to meet the needs of low-income families.

The fact is that housing needs of low-income people are desperate and growing.

It is time Congress lived up to its responsibility to set national housing policy. This is why it is so important that we bring the housing bill to the Senate floor.

I urge my colleagues to support this effort. We have a commitment to provide decent housing for those who cannot otherwise afford it.

We should live up to this commitment.●

BABI YAR

● Mr. MOYNIHAN. Mr. President, 42 years ago this week, over 70,000 Jews were machine-gunned by Nazi troops at Babi Yar.

Babi Yar is a ravine on the outskirts of Kiev in the Soviet Union which became a mass grave for the Jews of Kiev in 1941. Today the very name of Babi Yar evokes memories of the worst of Hitler's Holocaust and is a chilling reminder of the many cherished lives lost to Nazi barbarism.

It is important that we take note of the anniversary of this terrible atrocity and that in doing so we remember the Jewish community of Kiev that was brutally slaughtered. For the

monument erected by the Government of the Soviet Union at Babi Yar does not say a word about the Jews of Kiev. The plaque at Babi Yar reads, "Here, from 1941 to 1943 the German fascist invaders shot and killed more than 100,000 citizens of Kiev."

This does not surprise. The Soviet Union has long followed a policy designed to crush Jewish identity and erase Jewish culture. For years, the Soviet Government resisted placing a monument at Babi Yar as part of its effort to remove from the consciousness of Soviet Jews all sustaining elements of martyrdom. In fact, since the early 1970's the Soviets have gone so far as to equate Zionism with Nazism and have made the outrageous charge that the mass murder at Babi Yar was a collaboration of Zionist and Nazis.

By distorting the atrocity that took place at Babi Yar, Soviet authorities deny the murdered Jews of Babi Yar the basic respect of remembrance—they deny the lost Jewish community of Kiev a place in history.

In 1979 the President's Commission for the Holocaust visited Babi Yar. The Commission's chairman, the distinguished author and educator Elie Weisel, stated on this occasion:

When I stood here 15 years ago there was no monument at Babi Yar. But we all knew what Babi Yar meant. Now there is a monument at Babi Yar. But what kind of monument is it? We all had hoped to find a memorial for all the Jews who died as Jews, as well as for all the others who died here. But the Jews are not being remembered. O Jews of Babi Yar! We shall remember you. For 10 days in 1941, from Rosh ha-Shanah to Yom Kippur you were brought here and shot. We shall not forget when we are home and when we say the Kaddish we shall remember you as well.

We will not forget the Jews of Babi Yar. We will not forget this dark moment in the history of man when Jews were slaughtered for being Jews. We will continue to condemn Hitler's massacre of the Jews even if another nation chooses to obscure it.

I should like to conclude by submitting for printing in the RECORD a poem by the Russian poet Yevgeny Yevtushenko which appeared in Literaturnaya Gazeta on September 19, 1961. Yevtushenko was publicly denounced by Premier Nikita Khrushchev on March 8, 1963, for having spoken out against the Soviet Government's campaign to romote anti-Semitism in the U.S.S.R.

The poem follows:

BABI YAR

(By Yevgeny Yevtushenko)

No gravestone stands on Babi Yar;
Only coarse earth heaped roughly on the gash.
Such dread comes over me; I feel so old
Old as the Jews. Today, I am a Jew . . .
Now I go wandering, an Egyptian slave;
And now I perish, splayed upon the cross.

The marks of nails are still upon my flesh.
And I am Dreyfus whom the gentry hound;
I am behind the bars, caught in a ring;
Belied, denounced, and spat upon I stand,
While dainty ladies in their lacy
Squealing, poke parasols into my face.

I am that little boy in Bialystok
Whose blood flows, spreading darkly on the floor.
The rowdy lords of the saloon make sport.
Reeking alike of vodka and of leek,
Booted aside, weak, helpless, I, the child
Who begs in vain while the pogromchik mob
Guffaws and shouts; "Save Russia, beat the Jews!"
The shopman's blows fall on my mother's back.

O my own people, my own Russian folk,
Believers in the brotherhood of man!
But dirty hands too often dare to raise
The banner of your pure and lofty name.
I know the goodness of my native land.
How vile that anti-Semites shamelessly
Preen themselves in the words that they debase:
"The Union of the Russian People."

Now, in the moment, I am Anne Frank,
Frail and transparent as an April twig.
I love as she; I need no ready phrases . . .
Only to look into each other's eyes!
How little we can sense, how little see . . .
Leaves are forbidden us, the sky
forbidden . . .
Yet how much still remains; how strangely sweet
To hold each other close in the dark room.
They come? No, do not fear. These are the gales
Of spring; she bursts into this gloom.
Come to me; quickly; let me kiss your
lips . . .
They break the door? No, no the ice is breaking.

On Babi Yar weeds rustle; the tall trees
Like judges loom and threaten . . .
All screams in silence; I take off my cap
And feel that I am slowly turning gray.
And I too have become a soundless cry
Over the thousands that lie buried here.
I am each old man slaughtered, each child shot.
None of me will forget.

Let the glad "internationale" blare forth.
When earth's last anti-Semite lies in earth.
No drop of Jewish blood flows in my veins,
But anti-Semites with a dull, gnarled hate
Detest me like a Jew.
O know me truly Russian through their hate!

—Translated by Marie Syrkin.●

RUSSIAN IMPORTS TO NEW ORLEANS

● Mr. McCLURE. Mr. President, I wish to bring to the attention of my distinguished colleagues a situation that I find to be deplorable with regard to one of our most important industries. The industry of which I speak is the ferroalloy industry, and the situation of which I speak is the undermining of this industry by the Soviet Union.

On September 1 of this year, I learned of a shipment of 5,365 tons of 50-percent ferrosilicon from the Soviet Union to New Orleans destined for use by our declining steel industry. This material had a declared value of 13.6 cents per pound plus a 2 cents per pound assessed tariff, according to the Department of Commerce. This contrasted with the prevailing market value of 39 to 41 cents per pound is extremely alarming.

While this single shipment from the Soviet Union of 50-percent ferrosilicon, in and of itself, may not appear to some to be of significance, I was concerned that this was just the beginning of a long term effort by the Soviets to undermine the last vestige of a dying domestic ferroalloy industry. Today, I learned of yet another shipment of 50 percent Soviet ferrosilicon arriving at the Port of New Orleans last Tuesday. This shipment consisted of 6,300 tons of 50 percent ferrosilicon at the same declared value as the first.

As many of my colleagues know, I have been conducting a series of hearings before the Energy and Natural Resources Committee on the subject of the geopolitics of strategic and critical materials. The committee learned of the decline of the ferroalloy industry at its hearing on June 20 of this year. Not only did the committee learn of the plight of the ferroalloy industry but of virtually all segments of our domestic mining industry as well. Our primary focus in these hearings has been the growing U.S. dependence and/or vulnerability for strategic and critical minerals from unstable foreign sources. We are currently dependent for over 50 percent or half of the 40 minerals considered vital to our multitrillion dollar economy. While there are those that would argue that some of the countries from which we import certain strategic and critical minerals are not unstable or that we are not necessarily vulnerable to cutoff of supplies of these minerals in a national emergency, I can not imagine that anyone could be naive enough to suggest that the Soviet Union could be considered a reliable supplier of strategic and critical minerals in a national emergency.

If this country is seriously concerned about reducing our dependence upon foreign sources for strategic and critical minerals, then we must not allow ourselves to become dependent upon the Soviet Union for such a vital commodity as ferrosilicon.

Mr. President, in expressing my concern about this recent invasion of the ferrosilicon market by the Soviets, I want to make it clear that other vital elements of the ferroalloy industry are also suffering from low-priced imports. I certainly do not wish to minimize my concern regarding the decline of the ferrochrome, ferromanganese and silicomanganese elements of the ferroalloy industry. We have stood by during the last decade and watched our ferroally industry deteriorate as a result of low-priced imports to the point where we only have 21 furnaces of 84 with production at 28 percent of capacity. This deterioration, if allowed to continue, not only forces the United

States into greater dependence on foreign sources of ferroalloys but also jeopardizes our national security.

Today, I am calling upon the Chairman of the International Trade Commission and the U.S. Trade Representative to investigate this eggregious invasion of the ferrosilicon market by the Soviet Union. If the threat to our national security is not sufficient to launch such an investigation, then perhaps a reminder of the recent atrocity involving KAL flight 007 over the Sea of Japan will.●

CRUCIAL INTERESTS IN ASIA

● Mr. KENNEDY. Mr. President, Representative STEPHEN J. SOLARZ, with whom I have worked on a range of issues from the Philippines to Taiwan, has written a thoughtful op-ed piece in today's New York Times. In a cogent analysis of challenges we face in Pakistan, South Korea, and the Philippines, Mr. SOLARZ argues that "American strategic interests often conflict with our human rights concerns, but in these three nations they dovetail, for long-term American security interests would be enhanced by their establishment of more open political systems."

I fully concur in this judgment and ask that Mr. SOLARZ' important article appear at this point in the RECORD.

The article follows:

CRUCIAL INTERESTS IN ASIA

(By Stephen J. Solarz)

Among the threats America faces in Asia are pressing challenges in three strategically important countries—Pakistan, South Korea and the Philippines—where internal instabilities create possibilities for damaging political upheavals. American strategic interests often conflict with our human rights concerns, but in these three nations they dovetail, for long-term American security interests would be enhanced by their establishment of more open political systems.

The United States has an important interest in Pakistan's continued resistance to the Soviet occupation of Afghanistan. A failure to secure the withdrawal of Soviet forces, or to make Moscow pay a heavy price for refusing to do so, could whet its appetite for military adventures elsewhere. And without Pakistani support for the Afghan resistance movement, Moscow will have little incentive to withdraw.

But Pakistan needs a stable political system to maintain this policy, and the recent riots in the Sind province indicate that the people will no longer accept martial law. Prolonged authoritarian rule also poses a threat to national unity. Punjabi domination of the military and civil service denies the Sindhi, Pathan and Baluch minorities a role in government. Failure to create a freer political system, with considerable provincial autonomy and political participation for all, could lead to nationwide turmoil and enable the Russians to undermine Pakistan's stability.

President Mohammad Zia ul-Haq recognizes these dangers, but his recent moves toward civilian rule could flounder if he fails to give the people a say in his proposed constitution or to allow political parties to participate in the forthcoming elections. Most Pakistanis want us to continue providing arms and economic aid, but do not want us to remain silent about their political future. We should use our influence to encourage the establishment of a more democratic political system.

Preserving peace on the heavily armed Korean Peninsula is also essential to United States security, given the 40,000 American troops there, Korea's strategic importance to Japan and the risk of a war that could draw in outside powers. The danger on the Korean Peninsula is less a surprise attack from the North than that authoritarian rule in the South will lead to turmoil, thereby tempting the North to intervene.

The Republic of Korea remains an authoritarian state with a facade of democracy. President Chun Doo Hwan has lifted martial law, freed many political prisoners and held controlled national elections. But President Chun's seizure of power by force, the army's brutal suppression of popular demonstrations in Kwangju in 1980 and financial scandals involving his family have made if difficult for the Government to establish its legitimacy. For years, most South Koreans accepted an authoritarian system because it provided domestic stability, national security and rapid economic growth. But a more urbanized, better educated and more prosperous people want a free press and the right to choose their own government.

Virtually no one in South Korea wants us to withdraw our forces, but most Koreans do want us to promote human rights in their country. We should make clear our belief that progress toward democracy will promote long-term stability and increase the American people's willingness to continue to support South Korea's security.

Finally, in the Philippines, the United States' bases at Subic Bay and Clark Field are essential to our ability to preserve peace and the balance of power in Asia. Yet use of the bases could be jeopardized by the increasing opposition to the Marcos Government and a growing Filipino belief that American aid is propping up a corrupt and discredited regime.

The Government's repressive policies have weakened the democratic opposition while allowing the Communist New People's Army to make significant gains. The murder of Benigno S. Aquino Jr. eliminated the moderates' strongest leader and fanned opposition to the Government. The real danger is not so much an Iranian style upheaval but increasing polarization and growing support for the New People's Army as the only perceived alternative to the Marcos regime. Unless peaceful change becomes possible, violent change may become inevitable.

Filipinos differ about whether the bases should remain, but most believe the United States should use its influence to promote a return to democracy. We should press for a thorough and impartial investigation of the Aquino assassination and for genuinely free and fair parliamentary elections next spring.

American ability to influence internal developments in sovereign nations is not unlimited. But through skillful diplomacy, we can have a constructive influence on countries that rely on us for aid and security. By doing nothing, we abdicate our leadership and imperil our interests.●

SUCCESS OF PRIVATE FINANCING FOR BAY BEACH WILDLIFE SANCTUARY

● Mr. KASTEN. Mr. President, in this day of reductions of Federal funding for many programs. I would like to recognize the efforts of a number of private citizens who have demonstrated the best in American spirit. Through the use of private funds, these individuals have provided for the operation and expansion of an important wildlife sanctuary.

In Green Bay, Wis., we have a fine example of the dedication of the American people. An organization known as Friends of the Wildlife Sanctuary has built and operated the Bay Beach Wildlife Sanctuary. The friends of the sanctuary have demonstrated that alternatives to Federal funding can work very well. These people have insulated the important programs of their sanctuary from the all too often shifting pattern in the availability of public funds. In fact, they have put together a very successful and expanding program.

Beginning in the mid 1930's a group of spirited citizens began this undertaking by hand digging a small pond which has become a central feature of the sanctuary. The original 200-acre tract has been expanded to over 700 acres through gifts and acquisitions. Most recently, the friends of the sanctuary have embarked on supporting the construction of a 22,000 square foot education center. They have already raised over $1 million of the $1.5 that it will take to complete the center.

By pointing out this example of successful cooperation between private individuals and their municipal government, I am not calling for reductions in Federal wildlife programs. I believe these programs are critical, and should be strengthened. I do want to demonstrate, however, that alternatives to the use of Federal tax dollars can work in some cases, and work very well.

I ask to have printed in the RECORD a letter I recently received from Brian Peterson, president of the Friends of the Wildlife Sanctuary, and the letter he enclosed. In these, Mr. Peterson describes some of the accomplishments of the group, and compares their accomplishments with those of another group that has relied on public funds for support.

The letters follow:

FRIENDS OF THE WILDLIFE SANCTUARY,
Green Bay, Wis., September 26, 1983.

Hon. ROBERT KASTEN,
Hart Senate Office Building,
Washington, D.C.

DEAR SENATOR KASTEN: As a representative of the people of Northern Wisconsin, the Friends of the Bay Beach Wildlife Sanctuary, a non-profit, volunteer organization, thought you might be interested in the letter we are sending to several national

publications. We believe that we have a unique and timely story to tell about the Bay Beach Wildlife Sanctuary.

The July 1983 issue of the "Audubon Magazine" contained an article entitled "Refuges on the Rocks." It highlighted the failure of the Tinicum National Wildlife Project in Philadelphia. We could not help but draw some comparisons. With a population of 90,000, we have more than 400,000 visitors annually from all parts of the United States and many foreign countries. The Tinicum objective was 250,000. We are raising through pledges and donations $1,500,000 to build a 22,000 square foot Nature Center for educational purposes and already have more than $1 million of that goal. Their 21,000 square foot center never broke ground.

The comparisons go on, but there is one real reason for our success. The Bay Beach Wildlife Sanctuary has been successful for fifty years because of the support of the local community and its elected officials. The public officials of the area have been extremely cooperative in helping our program expand. Without their support, our efforts would not have been nearly as successful as they are today.

We thought that you would like to know about a program that is doing well in these hard times. It is an example of how volunteer effort and private contributions can and have made up the slack. Every resident of Wisconsin can take pride in the Bay Beach Wildlife Sanctuary because it represents the attitude of all the people of the state, not just a few in the Green Bay area.

Through the enclosed letter we are attempting to interest national media in highlighting this important priviate sector/government partnership for community improvement. We would appreciate any assistance or advice you may have for us in this effort.

Thanks for your past support. We of the Friends of the Bay Beach Wildlife Sanctuary look forward to your continued assistance in the future.

Sincerely,

BRIAN C. PETERSON,
President.

THE FRIENDS OF THE BAY BEACH WILDLIFE SANCTUARY, INC.,
September 26, 1983.

Mr. GARY SOUCIE,
Executive Editor, Audubon Magazine,
New York, N.Y.

DEAR MR. SOUCIE: Would you believe that in Green Bay, Wisconsin more people visit an urban wildlife center and feed the resident flock of Canada geese than go see the National Football League Green Bay Packers play football?

With a population of less than 90,000, the people of Green Bay are successfully building an urban wildlife refuge that is unique in America. Our experience can be a model for other communities, both large and small. The private sector/government partnership we have established is building a program that educates the community to the value and beauty of wildlife around them while providing a home for those animals that are displaced as people move in.

That's where we need your help. We believe that we have a good news story about how dedication and hard work, plus a strong bond between elected officials and the private sector have made our sanctuary come to life and grow. Not only do we have an excellent story to tell, but the time is right.

What made us realize that we had something special was when we read the July, 1983, Audubon Magazine's article entitled "Refuges on the Rocks." While the author, Jim Doherty, painfully pointed out how others, like the Tinicum National Environment Center in Philadelphia, have failed to achieve their goals, we at the Bay Beach Wildlife Sanctuary have been exceeding ours. Not only has the refuge grown in size, but supported by a volunteer, non-profit organization, The Friends of the Bay Beach Wildlife Sanctuary, we are now on our way to constructing a 22,000 square foot educational center. The construction is totally supported by private contributions and the staffing provided by the local park district. When completed and operational, the center will teach our children and the community as a whole the importance of living in harmony with nature. We have already raised over one million dollars of our $1,500,000 goal.

Here are just a few of the interesting and meaningful aspects of the Bay Beach Wildlife Sanctuary that can make a story important to your readers:

The original acreage for the Bay Beach Wildlife Sanctuary was one of the worst disposal areas in Northern Wisconsin. Fifty years ago volunteers transformed the area into what has become a model urban wildlife sanctuary. The Sanctuary now has more than 700 acres and is celebrating its 50th Anniversary.

Annually, more than 400,000 people come to the Bay Beach Sanctuary. These visitors from all parts of America and many foreign countries can see firsthand the beauty of Northern Wisconsin. The Sanctuary has migratory waterfowl, raccoons, and other urbanized animals, a herd of deer, a flock of wild turkeys, and a home for some special animal species that are on the endangered list. We have even had the majestic bald eagle dip into our lagoons to snatch lunch on its migratory path north. All this is less than a mile from several large multi-national corporations. It does show that big business and wildlife can live side by side in harmony.

The many trails are used for cross country skiing in the winter and educational outings such as moonlight walks with Sanctuary staff in the summer.

The Bay Beach Sanctuary is an ideal example of how the private sector can work with the public sector, even in times of budget cutbacks, to build strong programs. The acreage is a part of the City of Green Bay park program. As such, the annual operating budget is funded from local tax dollars. Expansion and special programs such as the new Nature Center are funded through contributions raised by volunteers and lead by the Friends of the Sanctuary.

Many of the program activities are devoted to educational efforts and projects. Can you imagine learning to walk on snowshoes and going out into the snow to see how the rabbit, fox, and even the mouse make us look clumsy when they move around without any special equipment. Kids of all ages love it.

If you get the idea that we are proud of our Sanctuary and our new Nature Center, you are absolutely right. We know that we are not impartial observers, but we think that your publication can highlight how we have been successful. We are not interested in gaining credit. We want others in both large and small communities to realize they, too, can do this. Our partnership with the local government in this effort is showing that it can be done.

We look forward to hearing from you regarding development of an article. Thank you for your consideration.

Sincerely,

BRIAN C. PETERSON,
President.

TINICUM NATIONAL ENVIRONMENTAL CENTER, PHILADELPHIA, PA.

Purpose: To acquire lands necessary for purposes of preserving, restoring and developing . . . Tinicum Marsh. Also, to construct, administer and maintain a wildlife interpretive center for the purpose of promoting envionmental education and to afford visitors an opportunity for the study of wildlife in its natural habitat.

900 acres of ponds, wetlands, woods surrounded by Interstate 95, heavy industry in Philadelphia. Located on the site of a solid waste landfill, it is an urban retreat planned to develop into twelve miles of nature trails, boardwalks, canoe and boat launches, observation towers and photography blinds.

U.S. Fish and Wildlife project: 21,000 square foot "environmental-education" building complete with amphitheater, lecture hall, classrooms, library and research center.

Projected visitors: 250,000 annually.

Funding: U.S. Dept. of Interior-Fish and Wildlife Service—total project.

Status: In doubt because of lack of federal funds.

Occupancy: In doubt.

BAY BEACH WILDLIFE SANCTUARY, GREEN BAY, WIS.

Purpose: To manage an uran wildlife refuge environment for maximum diversity . . . To provide learning experiences that promote and emphasize a greater general public awareness, understanding, appreciation and concern for wildlife . . . To provide recreational opportunities that promote enjoyable human contact with wildlife in a refuge environment.

700 acres of ponds, wetlands, and woods bordered by Interstate 43 and the bay of Green Bay and less than a mile from several major industries and the core city area. A former industrial landfill, the Sanctuary presently contains miles of nature trails, boardwalks, bridges and observation decks.

Private sector/city project: 22,000 square foot Nature Education Center including learning/center/lecture hall, nature discovery complex, library/conference room, greenhouse and lab, dark room, classrooms, and exhibit galleries.

Projected visitors: Over 500,000 annually.

Funding—Friends of the Bay Beach Wildlife Sanctuary, Inc.—building parking lot and furnishings. City of Green Bay—Park and Recreation Department—operations, staffing and maintenance.

Status: Under construction, with over $1 million raised of the $1,500,000 goal.

Occupancy: December 1983.●

SENATE CONCURRENT RESOLUTION 71—RELATING TO AN INVESTIGATION ON THE ASSASSINATION OF BENIGNO S. AQUINO, JR.

● Mr. RIEGLE. Mr. President, I rise today as a cosponsor of Senate Concurrent Resolution 71, which articulates the anxieties felt by many Amer-

icans over the brutal murder of Benigno Aquino.

Mr. President, in a speech given 2 years ago at Manila, Vice President BUSH told his host, Ferdinand Marcos, "We love your adherence to democratic principles." In light of recent events in that country, it is now fair to question the commitment of the Marcos government to those principles.

The Constitution of the Philippines was written with the assistance of two U.S. Presidents—Franklin D. Roosevelt and Harry S. Truman—along with Gen. Douglas MacArthur and thousands of Filipinos and Americans who died at Corregidor, Bataan, and Luzon in World War II—all of whom would be dismayed by the failure of President Marcos to uphold the democratic institutions and principles which elected him.

"On the seventh year of his nonextendable 8-year term, Marcos declared martial law in an attempt to prolong his stay in power, putting an end to a democratic experiment that started some seven decades earlier at the turn of the century." This portrayal of Filipino history was written by the only plausible successor to Marcos—Benigno Aquino.

On August 21, 1983, Benigno Aquino was shot down at the Manila Airport, just moments after returning from 3 years of exile in the United States. With parliamentary elections scheduled for next year and a presidental election promised for 1987, Aquino knew that his presence was necessary to rally the moderate political groups. He was willing to abandon his safe and comfortable existence in the United States for one more chance to shape the political future of his country. In his words:

> There is no substitute for the democratic institutions introduced and encouraged by Americans in the Philippines since 1898. . . . Man's sense of justice makes democracy possible; man's injustice makes it necessary.

From the moment gunfire ended the hopes of political moderates in the Philippines, political violence has ensued, prompting Marcos to threaten a return to martial law. The Aquino assassination and subsequent lack of any serious investigation into the circumstances surrounding it, has greatly discredited the Marcos government. Any confidence his regime once enjoyed, both inside and outside the country, is rapidly disappearing. Should the ailing President Marcos die, responsibility for ruling the country would likely be passed on to his wife, Imelda, or the military. In light of these unpleasant possibilities, it is incumbent upon the United States to encourage the Marcos government to take positive steps toward implementing the democratic practices which form the framework of its political system.

The many political, military and strategic interests of the United States in the region do not allow the United States to watch developments in the Philippines with detachment. In a letter to President Marcos dated May 31, 1983, President Reagan pledged to seek $900 million in security assistance for the Philippines, in an effort to underline the close and historic ties linking our two countries.

President Marcos can demonstrate to America and to the world his commitment to the democratic principles upon which the Philippine Government was built, by reopening the political system to all participants, and by pursuing a thorough investigation into the tragic death of opposition leader Benigno Aquino.

Mr. President, Filipinos take their political rights seriously, as well they should. Suppressing those rights for long will be dangerous for the Philippines, for the United States and for the entire region.●

LECH WALESA—1983 NOBEL PRIZE WINNER

● Mr. D'AMATO. Mr. President, I rise this afternoon to applaud the selection of Lech Walesa as the recipient of the 1983 Nobel Peace Prize.

From the shipyards of Gdansk, Walesa has emerged as a symbol of the struggle for freedom and dignity. His experience has served as an inspiration to millions of men and women who continue to be denied even the most basic of human rights by totalitarian dictators. Despite adverse conditions in his native Poland, Walesa has remained steadfast in his commitment to the advancement of justice and human rights. While some have suggested that he attempt to break the chains of Communist repression through violent means, he has relied upon nonviolent methods to achieve his objectives. But his accomplishments on behalf of his fellow workers have not come easily. They have been made with considerable personal sacrifice. Through his unwavering dedication, and tireless efforts, the workers of Poland were successful in attaining some degree of freedom.

The world witnessed the birth of the Solidarity Trade Union in August 1980. At that time, few realized the significance of this action or the man behind the movement. Through his skillful negotiations with the Polish Communist leadership, millions of Polish workers were granted the right to establish an independent trade union with the right to strike. These achievements were unheard of in a Communist state and largely the result of Lech Walesa's selfless dedication.

Walesa and his supporters came to represent a major threat to the Polish Communist Party and ultimately to the Soviet Union. Their quest for freedom was viewed as a challenge to the system of communism, a movement which had to be eliminated. Accordingly, the Polish authorities, under pressure from the Kremlin have attempted to crush the spirit of the Polish workers. The Jaruzelski regime resorted to the imposition of martial law, the imprisonment of thousands of Solidarity supporters, and a suspension of the limited freedoms enjoyed by the Polish people in an attempt to destroy the Solidarity movement. Walesa himself was interned for 11 months by the Government. Despite these actions, Solidarity remains a reality in Poland today and provides a glimmer of hope to many of the people in Eastern Europe.

The selection of Walesa as this year's Nobel Peace Prize winner comes at a fitting time and serves to focus the attention of the world on the repressive policies pursued by the Polish authorities. As a member of the Commission on Security and Cooperation in Europe, I have become painfully familiar with the disregard for human rights and civil liberties displayed by Communist officials both in Poland and elsewhere. The time has come to expose these blatant violations of the U.N. Universal Declaration on Human Rights and the Helsinki Final Act. In this regard, Lech Walesa has truly served to advance the course of peace through his dedicated defense of human rights.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

● Mr. STEVENS. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of Senate employees who propose to participate in a program, the principal objective of which is educational, sponsored by a foreign government, or a foreign educational, or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received requests for determinations under rule 35 which would permit Ms. Anne Burt, a member of the staff of Senator GORDON J. HUMPHREY, Mr. Ronald L. Tammen, a member of the staff of Senator WILLIAM PROXMIRE, Mr. Winslow T. Wheeler, a member of the staff of Senator NANCY LANDON KASSEBAUM, and Mr. Thomas M. Palmerlee, a member of the staff of Senator MALCOLM WALLOP, to participate in a program sponsored by foreign educational organization, the Konrad Adenauer Stiftung, in the Federal Republic of Germany, from October 8 through 15, 1983.

The committee has determined that participation by Ms. Burt, Mr. Tammen, Mr. Wheeler, and Mr. Palmerlee in the program in the Federal Republic of Germany, at the expense of the Konrad Adenauer Stiftung, to discuss United States-German relations, is in the interests of the Senate and the United States.●

ORDER OF BUSINESS

Mr. DOLE. Madam President, I hope that very quickly we can take up the extension of the unemployment compensation matter. I shall just explain what we propose to do. We propose to extend for 18 days the existing FSC law so that no one who may become eligible between now and the 18th, which is the Tuesday following when we return, will be adversely impacted. I repeat, it is an 18-day extension.

The House sent us a 30-day extension with a number of amendments that had been agreed to in conference. We have stricken seven of those amendments. We are going to send back four because there is some urgency to these provisions. They include a 60-day extension of disability benefits during appeal—that expires September 30. There is clearly some urgency there. Second, we included a 1-year extension of provisions relating to dependent children voluntarily placed in foster care. That provision otherwise expires on September 30. Third, we included a 2-year delay of social security coverage of retired Federal judges on active duty. I am told by the Chief Justice that that is a matter of urgency needing immediate attention.

The last is clarification with respect to repayment of State unemployment insurance loans. This provision is extremely important in the State of Vermont, and needs to be acted on now. This provision is retroactive to April 1, 1982, so that any State adversely affected under the incorrect interpretation of prior law will be reimbursed for interest already paid.

That would leave about seven provisions that have been approved in conference. These will likely become law but, very honestly, until we have some more indication on the House side that they want to be be reasonable in conference, it did not seem that we should accept all those provisions at this time. As soon as the majority leader is willing, we are prepared to bring the substitute up.

Mr. BAKER. Madam President, will the Senator from Kansas yield to me?

Mr. DOLE. I am happy to yield.

Mr. BAKER. Would it be fair to characterize this bill—is it H.R. 4101?

Mr. DOLE. Yes, H.R. 4101.

Mr. BAKER, What the Senator proposes to do is pass a simple 18-day extension?

Mr. DOLE. Yes, Madam President. On October 18, we will be in the same position we are in today. No unemployed worker gets hurt in the interim.

Mr. BAKER. Nothing is being added to it, not even those things that were agreed to in conference?

Mr. DOLE. Only those things I have cited which need to be added because of a expiration date of September 30 or some other urgent time consideration.

Mr. BAKER. May I inquire of the Senator if he is prepared to proceed on it now?

Mr. DOLE. I am prepared to proceed. This has been discussed with the ranking Democratic member on the Finance Committee (Mr. LONG). He is agreeable.

Mr. BAKER. Madam President, if I may have a moment to consult with the minority leader on final clearance, I believe we are ready to proceed.

Mr. BAKER. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. I ask unanimous consent that the order for the quorum call be rescinded.

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

EXTENSION OF FEDERAL SUPPLEMENTAL COMPENSATION ACT OF 1982

Mr. BAKER. Madam President, may I inquire now of the minority leader if he is prepared to proceed to consideration of H.R. 4101, which is the unemployment compensation measure?

Mr. BYRD. Madam President, I have consulted with Members on this side. We on this side are prepared to proceed.

Mr. BAKER. Madam President, I ask unanimous consent that the Senate now turn to consideration of H.R. 4101.

The PRESIDING OFFICER. Is there objection?

The clerk will state the bill by title. The assistant legislative clerk read as follows:

A bill (H.R. 4101) to extend the Federal Supplemental Compensation Act of 1982, and for other purposes.

The Senate proceeded to consider the bill.

AMENDMENT NO. 2308

Mr. DOLE. Madam President, I call up an amendment which is at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an amendment numbered 2308.

Mr. DOLE. I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

EXTENSION OF PROGRAM

SECTION 1. (a) Paragraph (2) of section 602(f) of the Federal Supplemental Compensation Act of 1982 is amended by striking out "September 30, 1983" and inserting in lieu thereof "October 18, 1983".

(b) Paragraph (2) of section 605 of such Act is amended by striking out "October 1, 1983" and inserting in lieu thereof "October 19, 1983".

EXTENSION OF PROVISION ALLOWING PAYMENT OF DISABILITY BENEFITS DURING APPEAL

SEC. 2. Section 223(g)(3)(B) of the Social Security Act is amended by striking out "October 1, 1983" and inserting in lieu thereof "December 7, 1983".

EXTENSION OF PROVISIONS RELATING TO DEPENDENT CHILDREN VOLUNTARILY PLACED IN FOSTER CARE

SEC. 3. (a) Section 102(a)(1) of the Adoption Assistance and Child Welfare Act of 1980 is amended by striking out "October 1, 1983" and inserting in lieu thereof "October 1, 1984".

(b) Section 102(c) of such Act is amended by striking out "October 1, 1983" each place it appears and inserting in lieu thereof in each instance "October 1, 1984".

SOCIAL SECURITY COVERAGE OF RETIRED FEDERAL JUDGES ON ACTIVE DUTY

SEC. 4. Notwithstanding section 101(d) of the Social Security Amendments of 1983, the amendments made by section 101(c) of such Act shall apply only with respect to remuneration paid after December 31, 1985. Remuneration paid prior to January 1, 1986 under section 371(b) of title 28, United States Code, to an individual performing service under section 294 of such title, shall not be included in the term "wages" for purposes of section 209 of the Social Security Act or section 3121(a) of the Internal Revenue Code of 1954.

CLARIFICATION WITH RESPECT TO REPAYMENT OF LOANS

SEC. 5. (a) Section 1202(b)(2) of the Social Security Act is amended—

(1) In the matter preceding subparagraph (A), by striking out "advance" and inserting in lieu thereof "advance or advances";

(2) In subparagraph (A), by striking out "advance is" and inserting in lieu thereof "advances are";

(3) In subparagraph (A), by striking out "advance was" and inserting in lieu thereof "advances were";

(4)In subparagraph (A), by striking out "advance " the second place it appears and inserting in lieu thereof "advances".

(b) The amendments made by this section shall apply to advances made on or after April 1, 1982.

Mr. DOLE. Madam President, the provisions I outlined earlier are included in this amendment. All we seek to do with this amendment is as follows: the House sent us a simple 30-day extension of the existing law. They also added to that about 11 or 12 provisions agreed to in conference last week. The House conferees did not consult with

the Senate conferees before taking this step. I have since had a conversation with the distinguished chairman of the Committee on Ways and Means (Mr. ROSTENKOWSKI). He indicated we could eliminate any of those provisions not important on a time-sensitive basis and send back the simple extension.

So what we have before the Senate is an 18-day extension of the current FSC program. We have included those provisions agreed to in conference which would expire on September 30, or which were pointed out to us as urgent matters. It is simply this: a 67-day extension of disability payments; the 1-year extension of the foster care provision; a 2-year delay of social security coverage for judges; and a clarification of the repayment of State UI loans. That amendment simply involved changing the word "advance" to "advances." At this time, the amendment is very important to the State of Vermont. In the future it could affect other States.

That, essentially, is what we have done. We will come back on the 17th. We hope to go to conference again on the 18th and to conclude the conference, as I have indicated, if we have some willingness on the part of the House to come down a bit on their demands.

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

The amendment (No. 2308) was agreed to.

Mr. DIXON. Mr. President, here we are again, applying a Band-Aid to the gaping wound of unemployment. Last week, the House and Senate passed differing versions of an extension of the Federal supplemental compensation program. There were major differences in the two bills.

The conferees have failed to reach an agreement between the House and Senate versions, so now we have an 18-day extension of current law. I guess it's better than leaving people who depend on these benefits with nothing, but how much more confusing can we make it?

In my State of Illinois, approximately 5,500 people would exhaust FSC benefits, either because of the termination of the program, or because they have used all available weeks, by October 15.

Other States have already begun to mail notices to recipients, informing them that the program has not been extended. A rough calculation, assuming approximately 700,000 recipients, multiplied by 5 minutes for notification, calculation, and mailing, plus 20-cent postage means that every time we have to notify people of a change in this program, it costs taxpayers $1,162,196. Couple that with the sheer complexity of this whole system to begin with, and you have one of the biggest legislative lalapaloozas ever created.

I certainly hope that in the next 18 days we will be able to address this program with some rationality—an optimistic hope, I realize. But we cannot continue to fail to provide leadership on an issue of such importance to so many.

This morning's editorial in the Washington Post supports the position of many of us in this body, as well as in the House, that the insured unemployment rate is an inadequate measure of the labor market. It also points to the time constraints which face us. It supports the House-offered position as reasonable. I agree. At this point, I would like to include that editorial in the RECORD.

I am disappointed that we are faced with another emergency and we have failed to address it responsibly.

In the meantime, Mr. President, I support this extension, because I have no choice. We cannot turn our backs on 700,000 people who need this program, while we continue to search for a better way.

JOBLESS BENEFITS IN DANGER

Unless House and Senate conferees are able to resolve their differences quickly, thousands of jobless workers around the country will have their unemployment benefits abruptly terminated. These are workers who have used up all their regular unemployment benefits and have been receiving special federal benefits under a law that expired last Friday.

Both houses recognize the need to extend the temporary federal benefit program until more permanent reforms can be made. Because of changes made in 1981, extra state benefits are being paid in only two states while total unemployment remains at record levels. But the House wants to provide somewhat more generous benefits—especially for people who have been out of work for many months. It is also rightly concerned that the so-called insured unemployment rate, which now determines how long extra benefits are paid in each state, has been behaving in mysterious ways. Not only is the gap between insured unemployment and total unemployment abnormally high, but some states with lower total unemployment now measure higher insured rates than other states that are in more serious labor market trouble. To make the system fairer, the House would count total unemployment in determining state benefit extensions.

The Senate, under strong pressure from the administration, wants to keep costs much lower—primarily by denying extra benefits to the long-term jobless who have already used up their previous benefits. It also wants to renew the federal program long enough to delay reconsidering this politically tricky issue until after the next election. And the Senate is also concerned about the technicalities of changing the yardstick by which unemployment is measured for program purposes.

These are not trivial concerns, but they are not important enough to justify considerable hardship for the very people who have suffered most from the recent deep recession. The unemployment insurance system is certainly in need of basic overhaul, but for the moment only stopgap measures are attainable. Ways and Means Committee chairman Dan Rostenkowski has proposed a reasonable compromise between the House and Senate positions that the conferees should take.

Mr. BYRD. Mr. President, before us is a bill that can only be described as emergency legislation—to keep the Federal supplemental compensation program from dying while thousands of innocent jobless workers and their family members are left to suffer the deprivation of these essential benefits.

I am distressed, Mr. President, that we have come to this point. Although immediate passage is absolutely critical, an 18-day extension fails to care for a number of inequitable and destructive circumstances in the current program. For example, several States ranking in the top 5 of total unemployment are eligible for the bottom tier of FSC benefits. And this emergency bill will do nothing about the plight of those who already have exhausted all FSC benefits—the longest term of the long-term unemployed, whose cases are most desperate.

It did not have to be this way. Both the House and the Senate last week passed legislation to make changes in the program and extend it. Unfortunately, the Senate bill did not provide the level of assistance that I believe we should be providing to the long-term unemployed. But the House's bill was strong and worthy, and a reasonable compromise between the two would have resulted in a suitable FSC program that would remedy a number of the worst flaws in the current program.

Sadly, the conferees could not bridge their differences. The House yesterday evening made a good-faith effort to present a possible compromise, but the administration's inflexibility and refusal to move toward a fair compromise destroyed that effort. The unemployed and their families should have no illusions about why many of them will continue to receive no benefits, and others will receive benefits of shorter duration than both the House and Senate earlier approved. They can place the responsibility squarely on the administration's shoulders.

There must be no higher priority when the Congress returns to Washington on October 17 than for the conferees on the original FSC extension bill to complete action—to achieve a suitable bridging of differences—and to return a bill to both Houses forthwith so that the stopgap extension we must now pass can be retired.

There now is no alternative to passing the bill before us. Sadly, it is the very least we can do for the victims of the recession before we leave this weekend. I regret that the administration's stiffness on this issue has delayed a more nearly sufficient response. I hold high hope that a truly

fair agreement on the bill we passed last week will be reached by the conferees immediately after we return from our States on October 17.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read a third time, the question is, Shall it pass?

The bill (H.R. 4101), as amended, passed.

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

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

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. BAKER. Madam President, in a moment, I am going to ask the Senate to stand in recess while we await action of the House. I shall not do so at the moment so we may see if any other Senator has a matter he wishes to bring up.

COMMEMORATION OF 50TH ANNIVERSARY OF JAMBOREE U.S.A.

Mr. BYRD. Madam President, I send to the desk a resolution I am joined in by Mr. RANDOLPH to commemorate the 50th anniversary of Jamboree U.S.A., which is located in Wheeling, W. Va. I have talked with the distinguished majority leader about this. I ask unanimous consent that the resolution go directly to the calendar and be printed in the RECORD.

Mr. BAKER. Madam President, reserving the right to object, and I shall not object, I thank the minority leader for consulting with me in advance. Of course, I concur with the request and will look forward to disposition of this matter tomorrow.

Mr. BYRD. I thank the majority leader.

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

Mr. BYRD. Madam President, country music and bluegrass music are dear to the hearts of millions of Americans. It is with pleasure, therefore, that I join with my distingushed colleague from West Virginia, Senator JENNINGS RANDOLPH, in paying tribute to one of our Nation's oldest country music institutions, Jamboree U.S.A., in Wheeling, W. Va., on the anniversary of its 50th year of broadcasting.

October is recognized by artists and fans of our grassroots musical traditions as Country Music Month. Jamboree U.S.A. has chosen October 15 to celebrate a half century of producing a live, late night show on Saturdays by hosting a gala event at Capitol Music Hall, in Wheeling, W. Va.

The anniversary celebration will recognize the contribution of Jamboree U.S.A. to the spread and popularity of country and western music and bluegrass music over the years, and scores of entertainers, top stars in the now multi-million-dollar industry, will be on hand for the occasion.

It is difficult to remember when country and oldtimer music were not part of the broad spectrum of our national culture. And yet, 50 years ago, it was, for the most part, regional in nature. Oldtime and country music had grown out of the folk music of our European ancestors, who migrated to the New World with violins under their arms, and lyrics in their hearts. Whole music was adapted to life and conditions on our frontiers, by generations of ballad singers and fiddlers. By the turn of the 20th century, country and oldtime music had become largely a phenomenon of Appalachia and mountainous parts of the rural South.

Indeed, the isolation of the mountaineer served to preserve for future generations a unique and precious culture in the music he fondly nurtured. Purists, even today, can point to traces of an Elizabethan origin in words and tunes of cherished mountain ditties and ballads.

It was here, in the heartland of Appalachia, that Jamboree U.S.A. was introduced to America. Visionary officials of the radio station, WWVA of Wheeling, set out to provide "something special for late Saturday night listeners," and Jamboree went on the air at 11 p.m., on January 7, 1933. Jamboree found an audience clamoring to see the artists in action. By April, Jamboree opened in Wheeling's Capitol Theatre for its first live performance, featuring Silver Yodelin' Bill Jones, the Tweedy Brothers, and others, in a fast-moving medley of country humor, song, and instrumental music.

This, and ensuing programs, drew heavily on local talent in various parts of Appalachia, musicians taught by their fathers over the generations, who poured forth songs of love, heartbreak, and trouble. The time was the Great Depression, when the plaintive ballads touched tender chords of insecure audiences.

With World War II, and its vast reshuffling of our population, country music and then bluegrass music began to attract a nationwide following and to assimilate new sounds and rhythms. Jamboree U.S.A. moved with the times, accepting the sophisticated trends introduced into the country music realm by radio, movies, and innovative artists.

Today, of course, country music, oldtime, western, and bluegrass music have become an integral part of our culture, with Jamboree U.S.A. acting as an important catalyst in its ever-widening influence on our performing arts.

More than 5 million tickets have been sold for the show. The broadcasts have reached the lonely motorists on interstate highways, and listeners in 18 Northeastern States and 6 Canadian Provinces.

Since the first live program 50 years ago, Jamboree U.S.A. has had many homes. Now, the show is back in a refurbished Capitol Theatre renamed Capitol Music Hall, where the marquee glitters with the billings of the country's most talented, glamorous stars of country and bluegrass music.

On October 15, when many of these stars will pay tribute to Jamboree U.S.A., some will recall beginnings on the show, Doc Williams and Wilma Lee Cooper, among them. Jamboree U.S.A. has, in fact, opened the doors to fame and fortune for more than a few whose names are familiar to most of us today.

Madam President, for Jamboree U.S.A.'s dedication to preserving the integrity of traditional country and bluegrass music, for the show's tenacity in promoting a musical style that is recognized today as an important American cultural heritage, for encouragement to country music artists over the years, and, most of all, for Jamboree U.S.A.'s gift of a great entertainment to America, I join with Senator RANDOLPH in asking unanimous consent that our resolution be printed at this point in the RECORD to commend Jamboree U.S.A. in Wheeling on its golden anniversary.

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

S. RES. 240

To commemorate the fiftieth anniversary of Jamboree U.S.A.

Whereas country music is a unique American art form and dear to the hearts of millions of Americans;

Whereas Jamboree U.S.A. has promoted and preserved traditional country music as an American culture for fifty years;

Whereas Jamboree U.S.A. has encouraged country music artists since its inception in 1933;

Whereas Jamboree U.S.A. has delighted audiences and radio listeners for a half century with a live show every Saturday night; and

Whereas Jamboree U.S.A. has distinguished West Virginia by establishing an important capitol for the performance of country music: Now, therefore, be it

Resolved, That the Senate recognize the dedication and vision of the producers of Jamboree U.S.A. in Wheeling, West Virginia, and pays tribute on the golden anniversary of this grand country music tradition.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the director of Jamboree U.S.A.

Mr. RANDOLPH. Mr. President, it is a privilege to join with my able col-

league and fellow West Virginian, the Democratic leader, Senator BYRD. We introduce this resolution commemorating the growth of the country music industry on its golden anniversary.

Its beginning was on January 7, 1933, with the first live country music program broadcast from Wheeling, W. Va., Radio Station WWVA. "Jamboree U.S.A." has grown in stature. It is one of the major forces in today's country music.

America's music has evolved from the soulful ballads and lively jigs of our ancestors. Country music artists have moved to the concert stage. A single performance reaches millions of listeners. In the depression years, performers appeared at family gatherings, barn dances, and other events. Country music has become a vital part of entertainment today.

Over the past half century, Jamboree U.S.A. has brought live performances to families throughout the Northeastern United States. It is the soothing sound to the lonely trucker, a solace to the shut-in, and it provides the best in country music. More than 5 million people have traveled to Wheeling to view the show.

Country music is a way of life for millions of Americans. Over the years, Jamboree U.S.A. has been a vital part of the lives of hundreds of artists. It is a great American tradition and a source of pride.

I urge my colleagues to join in this timely recognition of those pioneering musicians of earlier times. They brought their uniquely American artistry to millions of listeners in a celebrated entertainment of joy and faith.

ORDER OF PROCEDURE

Mr. BAKER. Madam President, I am told that there are a number of items that may be disposed of by unanimous consent. If the minority leader is prepared to consider these, I am prepared to describe them.

BUDGET ACT WAIVER

Mr. BAKER. Madam President, first I say to the minority leader I would propose to take up the budget waiver to accompany S. 1513, and then the bill itself, if there is no objection.

Mr. BYRD. That is fine with us.

Mr. BAKER. I thank the minority leader.

I ask the Chair to lay before the Senate Senate Resolution 196, a budget waiver to accompany S. 1513.

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

The assistant legislative clerk read as follows:

A resolution (S. Res. 196) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1513.

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the budget resolution waiver.

The resolution (S. Res. 196) was agreed to as follows:

S. RES. 196

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1513. Such waiver is necessary because S. 1513 authorizes the enactment of new budget authority which would first become available in fiscal year 1984, and such bill was not reported on or before the appropriate date required under section 402(a) of the Congressional Budget Act of 1974 for such authorizations.

The waiver of section 402(a) is necessary to permit congressional consideration of statutory authority for the National Historical Publications and Records Commission.

S. 1513 provides an authorization for fiscal year 1984 of $4,000,000, as part of a five-year reauthorization totaling $23,000,000.

AUTHORIZATION FOR THE NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

Mr. BAKER. Now, Madam President, I ask the Chair to lay before the Senate the companion measure, S. 1513.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1513) to extend for 5 years the authorization of appropriations for the National Historical Publications and Records Commission.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

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

S. 1513

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2504(b) of title 44, United States Code, is amended to read as follows:

"(b) For the purposes specified in subsection (a), there is authorized to be appropriated to the General Services Administration an amount not to exceed $4,000,000 for each of the fiscal years ending on September 30, 1984, and September 30, 1985; and an amount not to exceed $5,000,000 for each of the fiscal years ending on September 30, 1986, September 30, 1987, and September 30, 1988. Amounts appropriated under this subsection shall be available until expended when so provided in appropriation Acts.".

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

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

The motion to lay on the table was agreed to.

PUBLIC LANDS AND NATIONAL PARKS ACT OF 1983

Mr. BAKER. Madam President, next I ask if the minority leader is agreeable to taking up H.R. 1213, which is Calendar Order No. 215?

Mr. BYRD. Madam President, this side is ready to proceed.

Mr. BAKER. I thank the Senator.

Madam President, I ask the Chair to lay before the Senate that measure.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 1213) to amend certain provisions of law relating to units of the National Park System and other public lands, and for other purposes, reported with amendments.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

There being no objection, the Senate proceeded to consider the bill (H.R. 1213) which had been reported from the Committee on Energy and Natural Resources with amendments, as follows:

On page 2, strike line 22, through and including line 23 on page 3.

On page 3, line 24, strike "4.", and insert "3.";

On page 4, line 4, strike "5.", and insert "4.";

On page 4, line 10, strike "6.", and insert "5.";

On page 4, line 16, strike "7.", and insert "6.";

On page 4, strike line 22, through and including line 2 on page 5;

On page 5, line 3, strike "9.", and insert "7.";

On page 5, line 9, strike "10.", and insert "8.";

On page 8, line "12", strike "11.", and insert "9.";

On page 10, line "19", strike "12.", and insert "10.";

On page 11, strike line 7, through and including line 8 on page 13, and insert the following:

SEC. 11. (a) All right, title, and interest of the United States in certain lands within the boundaries of the Sequoia National Forest in Tulare County, California, and described in subsection (b) is hereby conveyed to those persons who submit a written application to the Secretary of Agriculture within five years after the date of enactment of this Act, with such proof of title as the Secretary may consider appropriate.

(b) The lands to be conveyed under subsection (a) are described as follows:

On page 14, line 1, strike "14.", and insert "12.";

On page 17, line 18, strike "15.", and insert "13.";

SEC. 14. (a) Title 31, United States Code, is amended as follows:

(1) Section 6901(2) is amended to read as follows:

"(2) 'unit of general local government' means—

"(A) a county (or parish), township, borough existing in Alaska on October 20, 1976,

or city where the city is independent of any other unit of general local government, that (i) is within the class or classes of such political subdivisions in a State that the Secretary of the Interior, in his discretion, determines to be the principal provider or providers of governmental services within the State; and (ii) is a unit of general government as determined by the Secretary of the Interior on the basis of the same principles as were used on January 1, 1983, by the Secretary of Commerce for general statistical purposes. The term 'governmental services' includes, but is not limited to, those services that relate to public safety, environment, housing, social services, transportation, and governmental administration;

"(B) the District of Columbia;

"(C) the Commonwealth of Puerto Rico;

"(D) Guam; and

"(E) the Virgin Islands;"

(2) Section 6903(a)(4) is repealed.

On page 17, after line 23, insert the following:

(b) The United States shall not be subject to any cause of action or any liability for distribution of payments made prior to January 1, 1983, under the Act of October 20, 1976 (90 Stat. 2662), as amended, or regulations pursuant thereto.

Mr. BAKER. Madam President, the fourteenth committee amendment I have been requested to withdraw. Therefore, I ask unanimous consent that the fourteenth committee amendment be withdrawn from the list of committee amendments.

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

Mr. BAKER. I now ask unanimous consent that the remainder of the amendments be considered en bloc.

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

The question is on agreeing to the amendments.

The amendments were agreed to.

AMENDMENT NO. 2309

(Purpose: To increase the funds authorized for development of access and visitor facilities in the Congaree Swamp National Monument)

Mr. BAKER. Madam President, I send to the desk an amendment on behalf of the distinguished Senator from South Carolina (Mr. THURMOND) and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER), on behalf of Mr. THURMOND, proposes an amendment numbered 2309.

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

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

The amendment is as follows:

On page 4, line 21, strike the period, insert in lieu thereof a semicolon, and add the following: and by striking out "$500,000" and inserting in lieu thereof "$2,000,000".

Mr. THURMOND. Madam President, this amendment would increase the amount authorized for development of visitor facilities and access roads in the Congaree Swamp National Monument near Columbia, S.C., to a more realistic and adequate figure.

Mr. President, the Congaree Swamp National Monument, which is a relatively new addition to the National Park System, was established in 1976 by legislation which I was pleased to author. Congaree is unique among all the national parks and scenic areas in our Nation. It consists of approximately 15,000 acres of forested swamp in a near-virgin state, and is a prime example of a natural southern hardwood forest. Contained within its boundaries are several varieties of trees of record dimensions. Centuries old cypress trees and giant loblolly pines grow from among the Swamp's meandering streams and oxbow lakes. As long as 20 years ago, the National Park Service recognized Congaree's value and recommended that it be added to the National Park System.

The 1976 act establishing the monument also authorized the sum of $500,000 to be used for access roads and essential visitor facilities. Since that time, litigation over land acquisition cost has delayed progress on the development of these facilities. The question of just compensation is still pending in the U.S. district court. However, by virtue of the Government Declarations of Taking, the lands which comprise Congaree Swamp National Monument now belong to the United States.

In order to make this beautiful site accessible to the public, roads, parking, and visitor facilities must be constructed. The amount originally authorized for this purpose in 1976 is clearly inadequate to accomplish the task of making Congaree accessible to visitors. Over 17 months ago, the National Park Service, Denver Service Center indicated that these facilities would require at least $1.5 million. By increasing the original authorization to a sum of $2 million, the Park Service should have adequate funding authority to accommodate inflation and construct the necessary facilities so that the American public can begin to enjoy this remarkable natural site.

Mr. President, I want to take this opportunity to urge the National Park Service to complete the general management plan for Congaree Swamp National Monument. I also want to urge the Park Service to promptly begin construction of the access road and basic facilities. Although litigation continues over the issue of just compensation, the lands within the park have been under Government control since the Declarations of Taking in 1977 and 1980. However, without these most basic improvements, it remains largely inaccessible. I would, therefore, urge the cooperation of the Park Service in opening Congaree to visitors as soon as possible.

Mr. President, I would also like to express my deep appreciation to Chairman WALLOP and the other distinguished members of the Public Lands and Reserved Water Subcommittee for their cooperation in this matter of importance to the citizens of our Nation.

Mr. HOLLINGS. Madam President, Senator THURMOND and I have worked jointly for many years to complete the land acquisition and develop the Congaree Swamp National Monument. I can remember a long night before we passed the original authorizing legislation in 1976, poring over the results of the timber cruise and trying to assess the value of the properties involved. While it has subsequently been determined that the estimated values were too low, my staff, and particularly the assistance we received from Representative SIDNEY YATES' staff expert, can attest that those amounts were the best that could be determined. A recent commissioner's report has recommended an award for the 4 tracts of land involved that necessitates raising the authorization for land acquisition to $60,500,000. The House of Representatives and the committee has concurred in that recommendation, and I am glad that the Senate is also taking that step today.

Several months back, I prevailed on the distinguished chairman of the Committee on Energy and Natural Resources (Mr. MCCLURE), in his capacity as chairman of our Interior Appropriations Subcommittee, to include the additional $25,000,000 in the Interior Appropriations bill for fiscal 1984 (H.R. 3363). Unfortunately, that was a casualty in the conference with the managers from the House of Representatives due to this authorization bill not having cleared. With both Houses now having approved the additional $25,000,000, I will ask that the funds be reinstated in the Supplemental Appropriations bill, H.R. 3959, that the Committee on Appropriations will consider immediately after the Columbus Day recess of the Congress.

Mr. President, I also want to voice my support to the amendment of the senior Senator from South Carolina (Mr. THURMOND) that raises the authorization for visitor facilities from $500,000 to $2,000,000. My distinguished colleague has amply outlined the need for this addition, and I will not detain the Senate by repeating things he has well stated. I appreciate the acceptance of this necessary increase for the facilities so that we can finally get on with the development of the Congaree Swamp National Monument.

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

The amendment (No. 2309) was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

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

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

The motion to lay on the table was agreed to.

CUMBERLAND ISLAND NATIONAL SEASHORE

Mr. BAKER. Next, Madam President, I propose to go to S. 807, if there is no objection.

Mr. BYRD. No objection.

Mr. BAKER. Madam President, I ask the Chair to lay that measure before the Senate.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 807) to amend the boundaries of the Cumberland Island National Seashore.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources with an amendment, as follows:

On page 1, line 4, strike "1066), is amended by striking out "numbered CUIS" and insert 1066), as amended by the Act of November 10, 1978 (92 Stat. 3489), is further amended by striking out "numbered CUIS"

So as to make the bill read:

S. 807

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of October 23, 1972 (86 Stat. 1066), as amended by the Act of November 10, 1978 (92 Stat. 3489), is further amended by striking out "numbered CUIS 40,000D" and substituting "numbered CUIS 40,000E"

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

The amendment was agreed to.

Mr. NUNN. Madam President, my colleague (Senator MATTINGLY) and I introduced S. 807 on March 15 of this year in order to address what we believe is a relatively minor, yet important, boundary change in the Cumberland Island National Seashore.

In October 1972, the Congress enacted legislation designating Cumberland Island as a National Seashore in order to preclude any further development of this natural wilderness area. Cumberland Island is a barrier island off the coast of southern Georgia of immense beauty which remains in virtually its natural state. The preservation of this island resource for the enjoyment of present and future generations of Americans is truly representative of the philosophy underlying our National Park System.

Following the designation of Cumberland Island as a National Seashore, the National Park Service conducted several studies in order to determine the best means through which to make visitation on Cumberland available to the largest number of visitors without overburdening the island and thereby endangering its natural character. I will not attempt to recite all of the various stages of the Park Service's consideration of the troublesome issue. However, at one point, the Park Service contemplated an extremely high visitation volume and, as a result, concluded that it would be necessary to acquire mainland property in order to permit the construction of a large embarkation complex to handle this increased volume of visitors. Consequently, the Park Service requested the Congress to amend the original map delineating the Cumberland Island National Seashore in order to include a tract of land on the mainland known as Point Peter so as to facilitate the construction of a visitor center.

In November 1978, the Congress passed the Parks and Recreation Act of 1978 which included this boundary adjustment.

Public hearings, environmental analyses, and further planning undertaken by the Park Service since 1978 has resulted in the Park Service altering its plans for Cumberland Island and substantially reducing the contemplated levels of visitation. The embarkation facilities currently available at the Georgia city of St. Marys have been determined to be adequate to handle the current and projected visitation levels for the area. As a result, the Park Service has concluded that the acquisition of Point Peter will not be necessary now or in the future.

Legislation was introduced during the last Congress with the support of the Park Service which defined the boundaries of the Cumberland Island National Seashore in the same terms that were included in the original 1972 enactment. Although that legislation passed the House of Representatives in 1982, in the press of business prior to our adjournment, we were unable to obtain its passage in the Senate. The passage of S. 807 will simply remove the area on the mainland known as Point Peter from the Cumberland Island National Seashore and cause the boundaries of that area to revert to those which were in effect when the National Seashore was first enacted. Since no one contemplates public acquisition of Point Peter, it seems only reasonable to eliminate that area from the area encompassed by the National Seashore's boundaries.

Madam President, this bill was favorably reported from the Senate Energy and Natural Resources Committee, and I urge its passage.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

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

S. 807

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of October 23, 1972 (86 Stat. 1066), as amended by the Act of November 10, 1978 (92 Stat. 3489), is further amended by striking out "numbered CUIS 40,000D" and substituting "numbered CUIS 40,000E".

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

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

The motion to lay on the table was agreed to.

TRANSFER OF CERTAIN LANDS IN LANE COUNTY, OREG.

Mr. BAKER. Madam President, I hope to proceed next to H.R. 1062, if the minority leader concurs.

Mr. BYRD. Madam President, there is no objection.

Mr. BAKER. Madam President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 1062.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 1062) to authorize the Secretary of the Interior to convey, without consideration, certain lands in Lane County, Oregon.

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

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

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

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

The motion to lay on the table was agreed to.

WILLIAM A. STEIGER POST OFFICE BUILDING

Mr. BAKER. Madam President, H.R. 3835 is at the desk, is it not?

The PRESIDING OFFICER. It is.

Mr. BAKER. I say to the minority leader that I propose to proceed to that measure now, if he has no objection.

Mr. BYRD. Madam President, there is no objection.

Mr. BAKER. Madam President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 3835.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3835) to designate the United States Post Office Building in Oshkosh, Wisconsin, as the "William A. Steiger Post Office Building."

Mr. KASTEN. Madam President, I rise in support of this measure to name the Post Office Building in Oshkosh, Wis., the William A. Steiger Post Office Building.

In 1978, Congress lost one of its finest Members with the death of Bill Steiger. I knew Bill Steiger as a friend for many years and was privileged to have had the opportunity to work with him in the House of Representatives for 4 years. Bill Steiger's integrity and commitment to good Government was a tremendous inspiration to every Member of Congress.

When Bill Steiger was elected to the House in 1966, he became the youngest Member of Congress at age 28. He quickly became a respected Member of the House and soon took a seat on the Ways and Means Committee. As a member of this committee, Steiger was at the forefront of many efforts in the area of tax reform. His work on capital gains tax reforms was his highest achievement and many of us in recent years have continued to make progress in this area because of the sound foundation Bill Steiger's work provided.

Madam President, Bill Steiger was a true statesman. His ability and hard work were appreciated by all of us who had the pleasure of knowing him. By passing this legislation, the people of Oshkosh, Wis., will gain a lasting memorial to a truly great man, Bill Steiger.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

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

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

The motion to lay on the table was agreed to.

EDWIN D. ESHLEMAN POST OFFICE BUILDING

Mr. BAKER. Madam President, I propose now to proceed to the consideration of H.R. 3379, if there is no objection.

Mr. BYRD. There is no objection, Madam President.

Mr. BAKER. Madam President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 3379.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3379) to name a United States Post Office Building in the vicinity of Lancaster, Pennsylvania, the "Edwin D. Eshleman Post Office Building".

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

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

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

The motion to lay on the table was agreed to.

SEQUENTIAL REFERRAL OF SENATE RESOLUTION 233

Mr. BAKER. Madam President, I have a request in my folder for a sequential referral of Senate Resolution 233, and I shall make a unanimous-consent request for that purpose if the minority leader has no objection.

Mr. BYRD. There is no objection, Madam President.

Mr. BAKER. Madam President, I ask unanimous consent that once the Foreign Relations Committee reports to the Senate, Senate Resolution 233, to express the sense of the Senate concerning the adverse effect on U.S. agricultural exports of proposals to modify the common agricultural policy of the European Community, it be sequentially referred to the Committee on Agriculture, Nutrition, and Forestry for not to exceed 60 calendar days.

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

ORDER FOR DISCHARGE OF VETERANS' AFFAIRS COMMITTEE FROM CONSIDERATION OF AND REFERRAL OF S. 1805

Mr. BAKER. Madam President, another request, I say to the minority leader, is for the discharge of the Veterans' Affairs Committee from the consideration of S. 1805.

I ask unanimous consent that the Veterans' Affairs Committee be discharged from further consideration of S. 1805, a bill to permit the surviving spouse and unmarried children of a person interred in a cemetery located on a military installation to be interred in such cemetery, and the bill be referred to the Armed Services Committee.

Mr. BYRD. Madam President, there is no objection.

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

ORDER FOR DISCHARGE OF THE JUDICIARY COMMITTEE FROM CONSIDERATION OF SENATE RESOLUTION 230

Mr. BAKER. Madam President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Resolution 230, to commend Eve Ball, and I ask that it be placed on the calendar.

Mr. BYRD. Madam President, there is no objection.

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

ORDER THAT H.R. 3044 BE HELD AT THE DESK

Mr. BAKER. Madam President, I ask unanimous consent that H.R. 3044, the Atlantic Salmon Agreement, be held at the desk until the close of business on Friday, October 7, 1983.

Mr. BYRD. There is no objection.

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

ORDER OF BUSINESS

Mr. BAKER. Madam President, on today's Executive Calendar are a number of nominations, on pages 1, 2, 3, 4, and 5 under the heading "Nominations placed on the Secretary's desk in the Army and Navy."

I inquire of the minority leader if his calendar shows clearance for all or any part of those nominations for consideration at this time.

Mr. BYRD. Madam President, on page 1, the first nomination, under the judiciary, is cleared; on page 2 all nominations under the Department of State are cleared, as are all nominations under the Department of State on page 3; and we go to page 4 and there are no nominations on that page that are cleared, but the nominations placed on the Secretary's desk in the Army and Navy on page 5 are cleared.

Mr. BAKER. I thank the Senator.

Madam President, let me describe these then by calendar number, if I may.

EXECUTIVE SESSION

Mr. BAKER. Madam President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the fol-

lowing nominations: Calendar Order No. 324 under the judiciary; Calendar Order Nos. 327, 328, 329, 330, and 331 under the Department of State; Calendar Order Nos. 332, 333, 334, 335, and 336 under the Department of State; and those nominations on page 5 placed on the Secretary's desk in the Army and Navy.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

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

The PRESIDING OFFICER. The nominations will be stated.

THE JUDICIARY

The legislative clerk read the nomination of Maryanne Trump Barry, of New Jersey, to be U.S. District Judge for the District of New Jersey.

Mr. BRADLEY. Madam President, I welcome the addition of Maryanne Barry to the U.S. District Court for New Jersey.

Ms. Barry will bring to the bench the energy and dedication she has demonstrated as New Jersey's first assistant U.S. attorney. Since 1974, Ms. Barry has served in that office as an outstanding professional. She progressively attained increased responsibilities under both Republican and Democratic administrations. Her tenure with four U.S. attorneys is a tribute to her legal and administrative abilities. In fact, she is currently the highest ranking woman attorney in any of the major U.S. Attorney's Offices.

The courts in general, and most particularly, the Federal district court in New Jersey, face almost overwhelming backlogs. A workload of between 400 and 500 cases for each district court judge is not uncommon in New Jersey. No vacancy can afford to go unfilled and I am pleased that this one is being acted upon expeditiously. Therefore, a clear requirement for any prospective judge should be whether he or she has the stamina and the energy to bear up under that burden. I believe Ms. Barry has more than demonstrated that vigor in managing the extraordinary caseload in the U.S. Attorney's Office.

It is also important that the nominee have the dedication to the law to undertake the personal sacrifice required of our judiciary. Ms. Barry long ago committed herself to public service.

Finally, a judge must have the special sensitivity which is necessary to administer justice. The lack of women and other minorities on our Federal bench has been of special concern to me. I have urged a special effort to reach out to those communities which have traditionally been excluded from the judiciary. First, such outreach expands the pool of exceptional talent available for the Federal bench. Second, the inclusion of those who have suffered from discrimination can bring this special sensitivity to the Federal judiciary.

I hope and I believe Maryanne Barry will bring the necessary energy, skill, and sensitivity to the U.S. district court. I am proud of the Federal justices who serve in our State and look forward to Ms. Barry's addition to the bench.

Mr. LAUTENBERG. Madam President, I am pleased to support the confirmation of Maryanne Trump Barry to the Federal District Court of New Jersey.

Since her graduation from Hofstra University Law School in 1974, Ms. Barry has served in the U.S. Attorney's Office in New Jersey where she has earned an excellent reputation among fellow members of the New Jersey Bar. Maryanne Trump Barry began as an assistant U.S. attorney, but quickly rose to the position of chief of the appeals division. In 1981 she became the first assistant U.S. attorney. Her work has manifested competence, honesty, and fairness.

Ms. Barry joins Judge Anne Thompson as the second woman to sit in the U.S. District Court for the District of New Jersey. My State and our Nation need more highly qualified women, such as Maryanne Trump Barry, to serve in the Federal judiciary.

I believe Ms. Barry will make a significant contribution to the administration of justice in New Jersey. I support here appointment.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF STATE

The legislative clerk read the nominations of Donald Charles Leidel, of the District of Columbia, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Bahrain.

George E. Moose, of Maryland, a Foreign Service officer of class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of Benin.

George Roberts Andrews, of Maryland, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mauritius.

Edmund DeJarnette, of Virginia, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Central African Republic.

Robert Hopkins Miller, of Washington, a career member of the Senior Foreign Service, class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Ivory Coast.

Charles Franklin Dunbar, of Maine, a career member of the Senior Foreign Service, class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Qatar.

Reginald Bartholomew, of Virginia, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Lebanon.

Nicolas M. Salgo, of Florida, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Hungary.

Gerald Eustis Thomas, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Kenya.

Nicholas A. Veliotes, of California, a career member of the Senior Foreign Service, class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Arab Republic of Egypt.

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

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The legislative clerk proceeded to read sundry nominations in the Army and in the Navy, placed on the Secretary's desk.

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

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

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

The motion to lay on the table was agreed to.

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

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

LEGISLATIVE SESSION

Mr. BAKER. Madam President, I ask unanimous consent that the Senate return to the consideration of legislative business.

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

PROGRAM

Mr. BAKER. Madam President, on tomorrow we are going to try to finish the farm bill and I think we will, and I am committed, as the minority leader will recall, to try to reach the target price bill after that, and I may say in a seizure of excess candor I doubt we succeed with that, but I am committed to try.

In addition to that, I hope that we can go to the executive calendar again and take up some of the items that we were not able to clear today. Perhaps there will be a rollcall vote on one or more of those nominations, but Senators should anticipate that possibility.

The Export Administration bill was extended by 14 days and there are further negotiations to try to extend that bill for another 14 days, and it is possible that the leadership on this side would ask the Senate to turn to the consideration of that measure if the difficulties are worked out.

However, I do not expect to ask for a rollcall vote on that or to take it up if they are not worked out. But Senators should be on notice of that possibility.

So tomorrow possibly Export Administration, finish dairy and tobacco, the executive calendar, and possibly a Defense Production Act, which I also do not think will require a rollcall vote. There may be other matters cleared for action by unanimous consent.

We will come in at 9:30 a.m. and be on the bill at 10 a.m. It is my hope we can finish the business of the Senate by midafternoon and maybe as early as 2 p.m.

In a moment I will ask the Senate to recess awaiting the action by the House on the unemployment benefits extension bill, and probably the passage of the adjournment resolution, but I will not do that at the moment.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. BAKER. Madam President, I see no other Senator seeking recognition. Since we are unsure of when the House will act, we have to await their further action on this bill, so I ask unanimous consent that the Senate now stand in recess subject to the call of the Chair.

There being no objection, the Senate, at 7:16 p.m. recessed until 7:37 p.m. whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. WARNER).

The PRESIDING OFFICER. The Chair recognizes the acting majority leader.

ADJOURNMENT OF THE TWO HOUSES UNTIL OCTOBER 17, 1983

Mr. STEVENS. Mr. President, I ask the Chair to lay before the Senate the adjournment resolution, House Concurrent Resolution No. 184.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 184) providing for an adjournment of the two Houses from October 6 or 7 until October 17, 1983.

Mr. STEVENS. Mr. President, I ask for its immediate consideration.

There being no objection, the Senate proceeded to its immediate consideration.

The concurrent resolution (H. Con. Res. 184) was considered and agreed to.

The concurrent resolution reads as follows:

H. CON RES. 184

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, October 6, 1983, or on Friday, October 7, 1983, pursuant to a motion made by the majority leader, or his designee, in accordance with this resolution, and that when the Senate adjourns on Thursday, October 6, 1983, or Friday, October 7, 1983, pursuant to a motion made by the majority leader in accordance with this resolution, they stand adjourned until 12 o'clock meridian on Monday, October 17, 1983.

RECESS UNTIL TOMORROW AT 9:30 A.M.

Mr. STEVENS. Mr. President, there is an order for the convening of the Senate in the morning, I understand.

The PRESIDING OFFICER. The assistant leader is correct. The order provides for reconvening at 9:30 a.m.

Mr. STEVENS. Mr. President, I move that the Senate stand in recess in accordance with that order.

The motion was agreed to; and, at 7:38 p.m., the Senate recessed until Friday, October 7, 1983, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate October 6, 1983:

IN THE ARMY

The following officers for appointment as Reserve Commissioned officers in the Adjutant Generals Corps, Army National Guard of the United States, Reserve of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen Vernon J. Andrews, xxx-xx-xx... xxx-... Army National Guard of the United States.

Brig. Gen Luis E. Gonzalez-Vales, xxx-xx-x... xxx-... Army National Guard of the United States.

Brig. Gen. Gray W. Harrison, Jr., xxx-xx-x... xxx-x... Army National Guard of the United States.

Brig. Gen. John W. Kiely xxx-xx-xxxx, Army National Guard of the United States.

Brig. Gen. Alexis T. Lum xxx-xx-xxxx, Army National Guard of the United States.

Brig. Gen. Willard A. Shank, xxx-xx-xxxx, Army National Guard of the United States.

To be brigadier general

Col. Edward G. Pagano xxx-xx-xxxx, Army National Guard of the United States.

IN THE NAVY

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. Albert J. Baciocco, Jr., xxx-xx-x... xxx-.../1120, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. Thomas J. Hughes, Jr., xxx-xx-x... xxx-.../1110, U.S. Navy.

INTERNATIONAL ATOMIC ENERGY AGENCY

The following-named persons to be the Representatives and Alternate Representatives of the United States of America to the 27th Session of the General Conference of the International Atomic Energy Agency:

Representative

Donald P. Hodel, of Oregon.

Alternative Representatives

Richard T. Kennedy, of the District of Columbia.

Nunzio J. Palladino, of Pennsylvania.

Richard Salisbury Williamson, of Virginia.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 6, 1983:

DEPARTMENT OF STATE

Donald Charles Leidel, of the District of Columbia, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Bahrain.

George E. Moose, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of Benin.

George Roberts Andrews, of Maryland, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mauritius.

Edmund DeJarnette, of Virginia, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Central African Republic.

Robert Hopkins Miller, of Washington, a career member of the Senior Foreign Service, class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Ivory Coast.

Charles Franklin Dunbar, of Maine, a career member of the Senior Foreign Service, class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Qatar.

Reginald Bartholomew, of Virginia, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Lebanon.

Nicolas M. Salgo, of Florida, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Hungary.

Gerald Eustis Thomas, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Kenya.

Nicholas A. Veliotes, of California, a career member of the Senior Foreign Service, class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Arab Republic of Egypt.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

Maryanne Trump Barry, of New Jersey, to be U.S. district judge for the district of New Jersey.

IN THE ARMY

Army nominations beginning Bryan R. Cole, and ending Alan E. Santo, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on September 26, 1983.

Army nominations beginning Lorraine M. Bivalec, and ending Ivan P. Szilvassy, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on September 26, 1983.

IN THE NAVY

Navy nominations beginning William J. Dyer, and ending William R. Davis, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on September 26, 1983.