SENATE—*Thursday, April 21, 1983*

(Legislative day of Monday, April 18, 1983)

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

The PRESIDENT pro tempore. Our opening prayer will be offered by Rabbi Abraham Hecht, Chief Rabbi, Shaare Zion Congregation of Brooklyn, N.Y., and president of the Rabbinical Alliance of America. He is sponsored by Senator DANIEL PATRICK MOYNIHAN.

PRAYER

Rabbi Abraham Hecht offered the following prayer:

Let us pray.

Our Father in Heaven, we beseech you to bless the Members of this august body, who represent the people of our beloved United States. We ask also for Your blessings for our dear President Ronald Reagan and his family, and for the members of his cabinet, and advisers.

In these unsettled and turbulent times, when the fate of the world is indirectly determined by the decisions reached in this Chamber, we instinctively turn to You, our Heavenly Father, for Your divine assistance in guiding the distinguished Representatives in their deliberations.

Dear G-d; we are humbled as we realize the awesome responsibility they share for the peace and security, not only of our own country, but also for the international community. This, in addition to their immediate obligation of passing legislation designed to improve the quality of life for all of our citizens.

It is precisely because we recognize the enormousness of their task, that we plead for your divine inspiration and guidance.

A-Mighty G-d; we are always mindful of the innumerable blessings of freedom, liberty, and equality of opportunity enjoyed by all the inhabitants of our blessed country. And it is with a sense of deep gratitude and acknowledgment of Your kindness, that we pray for Your continued protection and blessings.

We supplicate You to please grant to every Senator good health, happiness, peace of mind, and tranquility. May they all succeed in utilizing their great talents and wisdom for the prosperity of our country, and for the advancement of the cause of peace and harmony throughout the world.

Together let us all, in a spirit of reverence and humility, answer this prayer with a resounding Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

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

Mr. STEVENS. Mr. President, I yield to the minority leader.

The PRESIDENT pro tempore. The distinguished minority leader.

Mr. BYRD. Mr. President, I will utilize 2 minutes of my time at this point, after which I will withhold using the remainder of my time until after the Republican leader has had a chance to speak.

I yield to the distinguished Senator from Washington.

The PRESIDENT pro tempore. The Senator from Washington.

RABBI ABRAHAM HECHT

Mr. JACKSON. Mr. President, I want to say a special word of thanks to my friend, Rabbi Abraham Hecht, for his opening prayer at our session today.

Rabbi Hecht is a wonderful man and a strong community-minded leader. For more than 30 years, he has served the Shaare Zion Congregation on Ocean Parkway, Brooklyn—a flourishing congregation of more than 10,000 families. He and his wife have their own family of 10 children. It is not surprising that Rabbi Hecht is a great believer in the importance of close and supportive family ties and in the value of family traditions in the raising and education of the younger generation.

Mr. STEVENS. Mr. President, I am sure the entire Senate would echo the sentiments of the Senator from Washington. We are grateful to the Rabbi for his leading the Senate in prayer as we open this session.

RABBI ABRAHAM B. HECHT COMMENDED

Mr. MOYNIHAN. Mr. President, today this Chamber has had the honor of having Rabbi Abraham B. Hecht, a leader in the American orthodox community offer the opening prayer. Rabbi Hecht is president of the Rabbinical Alliance of America and Rabbi of the largest Syrian Sephardic Congregation in America, Congregation Shaare Zion in Brooklyn, N.Y. He also serves with distinction on the board of governors of the Union of Orthodox Jewish Congregations of America.

The Syrian Sephardic community of America has over 30,000 members and has established an impressive record of community service on both a national and international scale. The community should be commended for its old age home facilities, network of all day schools, community centers, beautifully modern congregational buildings, and other communal institutions that so greatly benefit the areas they serve.

It is a pleasure to have Rabbi Hecht and other distinguished members of the Syrian Sephardic community join us today, and I especially want to thank the Rabbi for delivering such an inspiring prayer.

SENATE SCHEDULE

Mr. STEVENS. Mr. President, today, the Senate will resume consideration of S. 144, the reciprocity bill. Pending is the amendment offered by the Senator from Louisiana (Mr. LONG) to the amendment offered by the Senator from Wisconsin (Mr. KASTEN) to the motion to recommit the bill with instructions made by the Senator from Kansas (Mr. DOLE).

Votes are expected this afternoon and the leadership sincerely hopes that the issue of withholding on interest and dividends can be completed today so that the remaining issues surrounding the reciprocity bill may be appropriately addressed and the bill passed today.

It is our opinion, Mr. President, that a good faith effort has been made by Members on both sides of the withholding issue, and that the result of the negotiations is an approach that is fair as well as justifiable.

Mr. President, those of us who have a few years of service in the Senate will remark, I am certain, that we rarely see one side or the other of a controversial issue achieve everything one side seeks. The debate on this withholding issue is no exception. The legislative product that is about to emerge from this Chamber on this issue is one that is the product of a good faith negotiation.

We do hope that we may proceed with the other legislative priorities, such as the bankruptcy bill, which is important to every State in the Union. In addition, we cannot afford to delay much longer in getting the first concurrent budget resolution before the Senate.

So we do hope the Senate will act promptly today and will complete its work on this bill.

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

RESERVATION OF MAJORITY LEADER'S TIME

Mr. STEVENS. Mr. President, the majority leader will have a further statement regarding this matter and the schedule for tomorrow and next week, I am informed.

I ask unanimous consent, in the event he wishes to make a statement, it be printed in the RECORD at this point.

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

ORDER OF BUSINESS

Mr. STEVENS. Mr. President, may I inquire, are there any special orders today?

The PRESIDING OFFICER (Mr. WILSON). There are no special orders.

Mr. STEVENS. I reserve the remainder of the leadership time on this side.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that, after the leaders' time has been used or reserved, there be a period for the transaction of routine morning business during which Senators may speak therein for not to exceed 5 minutes and that the time will expire at 12:30 p.m.

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

ORDER FOR RECESS FROM 12:30 P.M. TO 2 P.M. TODAY

Mr. STEVENS. Mr. President, I further ask unanimous consent that, when we reach the hour of 12:30 p.m., the Senate stand in recess until 2 p.m.

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

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The distinguished Democratic leader is recognized.

Mr. BYRD. I thank the Chair.

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

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business.

NUCLEAR FREEZE VERIFICATION—WHY SO TOUGH—WHAT WE CAN DO

Mr. PROXMIRE. Mr. President, yesterday I called the attention of the Senate to a strong statement by former CIA Director William Colby supporting the nuclear freeze and calling on President Reagan to take over its leadership. One of the most useful contributions of that Colby article was the expert opinion of this former CIA Director that we could in fact detect any significant cheating by the Soveit Union and could act to stop it.

Just this week the Boston Globe won a Pulitzer prize for a series of articles on the nuclear arms race. The Globe made no effort to push any particular answer to the nuclear dilemma. It neither opposed nor supported the Reagan administration in the articles. It simply analyzed in detail the problems all of us face as human beings, threatened by the possibilities of a war that could annihilate us.

This remarkable analysis carries some superb vignettes by Randolph Ryan who writes on defense issues for the Globe's editorial page. One of them discusses "Verifying weapons count." Ryan admits such verification is difficult and made more difficult by the sweeping advance of technolgy, particularly the miniaturization of nuclear weapons. Verification may be the Achilles heel of the freeze movement, so Ryan's thoughtful and balanced analysis of where it stands right now is especially useful. I ask unanimous consent that the article to which I have referred be printed at this point in the RECORD.

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

[Boston Globe Supplement—1982]

VERIFYING THE WEAPONS COUNT

The acceptability of any arms control plan hinges on whether or not it is adequately "verifiable" so that cheating could be detected.

Verification has always presented greater problems for this country than for the Soviet Union. Ours is an open society, with information generally available, and theirs is not.

The Soviets have traditionally resisted "on-site inspection" of military installations, and no doubt US armed forces have similar qualms. Still, for the past 20 years each side has been able to keep track of the other's testing and deployment of nuclear weapons with relatively high confidence through what are called "national technical means." This is a grab-bag term covering radar, seismology, photo reconnaissance from planes and satellites, and telemetry, which is the monitoring of radio data transmitted during missile tests.

Surveillance efforts through the top-secret National Security Agency and similar bodies are remarkably successful. High-resolution photographs from space can supposedly pick up something the size of a football, and electronic snooping is precise enough to tell two planes of the same type apart through the electronic "signatures" they inadvertently emit. Ships' wakes can be seen for hours because of temperature differences in the churned-up water.

The relative security of the past 20 years is based partly on the fact that ICBM installations have been large enough to be easily detected, and subs and planes can be counted. Now, however, because of a series of undramatic advances in technology ranging from pint-sized warheads to silicon chips, weapons are becoming smaller and harder to detect.

The about-to-be-deployed cruise missile, for example, is small enough to be hidden in quantity. Compared to an ICBM, it's the difference between a broadsword and a dagger-up-the-sleeve. Some argue that the arms race is moving quickly past a "window of opportunity" for verifiable arms control. Once such miniaturized systems are deployed, they say, uncertainties and fears will be much higher. This is the main argument against deployment of ground- and sea-launched cruise missiles, which some believe will be potentially even more destabilizing than the MIRV.

To expect perfect verification of a treaty, whether by technical means or on-site inspections, is unrealistic, but many arms control specialists say perfection is not necessary, anyway. What is essential is to be able to detect substantial violations that could lead to a significant advantage for the cheater. Just as, at a football game, the point of the gate is to be sure the vast majority of spectators buy tickets. If a few kids climb over the fence, it hardly matters.

HOW FEASIBLE A SPACE-BASED ABM?

Mr. PROXMIRE. Mr. President, a recent public television program, "Frontline," carried an important analysis of the technologies involved in space-based ABM systems. In a balanced presentation by advocates on both sides of the issue, "Frontline" offered its viewers a remarkable educational perspective on the feasibility of space-based defense systems.

After reviewing briefly the history of U.S.-U.S.S.R. competition in space, the program highlighted current technologies which may or may not lead to large-scale space ABM systems. Particle beams are found to have significant problems of weight, range, and firepower at current standards of technology. Yet at least one Defense Department report concluded in 1978 that Soviet research in this field was much larger than could be accounted for by purely scientific research.

Laser systems are found to have operational problems. The aircraft currently testing a laser system must be kept dust-free during servicing of its laser equipment. The plane itself has to be locked in an isolated environmental chamber. And it only works a percentage of the time against undefended targets which do not take evasive maneuvers—hardly the kind of weapon needed for the battlefield today.

But what of the future? Scientist Kosta Tsipis reasons that in addition to the great cost of a space-based laser system, it may be impractical from the standpoint of supplying it with energy or fuel.

If this is going to be used as an ABM—a laser on a platform out in space say, 1,000 kilometers above the ground trying to attack ballistic missiles as they rise—you need more than one platform because the platforms are not stationary above the

earth. They rotate and they move. So you need 30 or 40 platforms, each one with a laser that should be able to emit a few thousand pulses. Each pulse now needs 20 tons of consumables. Therefore what you need is 100,000 tons of consumables per platform. Now, a shuttle has to go and then come back and be refitted and so on, so let us assume that a shuttle makes two trips a year. So a shuttle can carry 60 tons. Now, how may shuttles are you going to have? You're going to have 10 shuttles. Then you have 600 tons of coolant and fuel moved into outer space per year. If you need 6 million tons then you need about 100,000 years to move the coolant out there. Now, that, it seems to me is a rather unrealistic weapon system because by the time you move all the coolant up there, it will be obsolete.

Of course, Mr. President, we should not assume that such problems identified today cannot be solved in the future. But the technical problems should give all of us great pause before we easily accept the proposition that a space-based ABM is the answer to the world's armaments problem. Even laying aside cost and technology, there is no reason to suspect that there are not countermeasures to a space-based ABM that will enlarge the competition to an arms race in space. That is a threat of unknown but potentially enormous consequences.

PROTECTION OF REFUGEES ON THE THAI-CAMBODIAN BORDER

Mr. PERCY. Mr. President, I want to commend my distinguished colleage from Indiana (Mr. LUGAR) for having introduced Senate Resolution 112 expressing the sense of the Senate with respect to the protection of refugees and civilians caught in the armed conflict on the border between Thailand and Cambodia. The resolution was referred to the Committee on Foreign Relations which considered it on April 19 and which recommended its passage to the Senate. The resolution has a distinguished group of cosponsors from both sides of the aisle, representing broad bipartisan support.

Beginning in late March, Vietnamese forces operating out of Cambodia began premeditated and indiscriminate attacks along the Thai border, aimed primarily at camps filled with defenseless women, children, and the aged. These attacks have led to a massive influx of over 40,000 Cambodians into Thailand—which is already carrying a heavy burden in providing shelter and sustenance to those fleeing Communist tyranny in Indochina. The Royal Thai Embassy in Washington has informed me that the refugee camps in some instances have been completely destroyed by the invading Vietnamese, with the schools, hospitals, and other facilities built for the refugees by the United Nations and the other international agencies, supported by the United States, leveled to the ground. The Thai Government estimates that more than 20 have been killed, with the wounded numbering more than 100.

As I said in this Chamber on April 15 when we had under consideration my resolution recognizing the 150th year of diplomatic relations between the United States and Thailand, we must be aware of the tragic human dimension of this conflict, where innocent Cambodian refugees and innocent Thai villagers have borne the brunt of the Vietnamese military attacks. Our Government moved swiftly to provide humanitarian assistance, as well as emergency military assistance. We, too, can assist by helping to mobilize world public opinion against the outrageous and unprovoked attacks of the Vietnamese against these innocent Cambodian and Thai villagers and refugees. The resolution by the distinguished Senator from Indiana which is before us now will assist in this effort. I recommend its speedy passage.

THE GHETTO AND THE OPPRESSION OF THE JEWS

Mr. PROXMIRE. Mr. President, in the past few days we have heard and seen a great deal of evidence that the Holocaust and its victims will not be forgotten. From speeches given by President Reagan and Vice President BUSH to the dedication of the new Holocaust Memorial Museum, we have witnessed an outpouring of desire to preserve for generations to come those lessons learned from one of the greatest tragedies ever known to man.

These Days of Remembrance for the 6 million have been a time of reflection. A time when we have all had the opportunity to solemnly commemorate the courage, pain, and struggle of an entire ethnic group.

While most of us can claim a factual knowledge of what befell European Jews in World War II, very few of us can comprehend the long history of oppression that has persistently accompanied these people. Indeed, it is difficult to imagine what led to the isolating of the Jews as the primary victims of Hitler's slaughter. Although millions were sent to Germany's battlefronts, forced to labor or otherwise deprived by the Nazis, it was primarily the Jews for whom the ovens were built and the gas chambers constructed.

Mr. President, a recent public television broadcast documented one episode of the history of oppression associated with the legacy of the European Jew. Entitled, "Geto: the Historic Ghetto of Venice," this program went back to the year 1515 when the ruler of Venice banished all the city's Jews to the site of an abandoned cannonball foundry, or Geto in Italian. The Jews were given 10 days to relocate within the walled foundry. After entering the ghetto, the windows were bricked behind them and the two entrances were placed under the guard of Christians whose salaries were paid by the captive Jews. At night, boats patrolled the moat which surrounded the foundry and kept it apart from the rest of the city.

For nearly 300 years the Jews of Venice remained within the walls of the foundry. With remarkable perseverance they survived and even thrived in their walled city. Over time a rich culture emerged, one which included wholesale merchants, doctors, lawyers, tailors, printers, bankers, and dyemakers. By 1797, when Napoleon's troops liberated the Venetian Jews from their captivity, a vibrant Jewish society met their new found freedom with the eager hopes of being released forever from the oppression they had known for centuries.

These hopes, however, were soon dashed as ghetto walls gave way over time to a more direct oppressor, the pogrom. While the Jews of Venice were no longer restricted to the ghetto, prejudice and hatred continued to place a barrier between the Jews and their desire to move unhindered in European society.

Mr. President, there can never be a justification for the oppression which has traditionally followed European Jews and which reached a tragic head during Hitler's reign of terror. While we cannot replace what the Jews of Europe have lost, we can at least honor them with the determination to never forget their terrible plight. As U.S. Senators, we can also act in this vein to make genocide an international, punishable crime. The survivors of the Holocaust ask the world to never forget. I think we should honor that plea by giving our advice and consent to the Genocide Convention.

MAYOR AL BISSELL OF OAK RIDGE, TENN., ENDS OUTSTANDING CAREER OF MUNICIPAL SERVICE

Mr. SASSER. Mr. President, I wanted to bring to the attention of you and other colleagues in the U.S. Senate the impending retirement of a truly unique and talented municipal official—Mayor Al Bissell of Oak Ridge, Tenn.

Oak Ridge is a unique city because it began as part of the development of atomic weapons. As the newspaper the Oak Ridger point out editorially, "our utterly typical mayor in appearance and, in many respects also in manner, (is) totally atypical and quite possibly unique."

He presided over the evolution of Oak Ridge from a federally operated facility into a public municipality—and worked hard to overcome the unique problems that accompanied this transition, problems such as the

need for a property tax base to finance municipal services.

Mayor Bissell and other municipal officials in Oak Ridge addressed those problems and made substantial progress.

He can reflect on his leadership and resourcefulness with great pride. The greatest proof of Al Bissell's fine record is the love and respect the citizens of Oak Ridge hold for him. Recently, he was honored at a community birthday party where his record and dedication were the subject of well-deserved tributes.

In the context of the conclusion of Mayor Bissell's municipal career, I am reminded of the words of St. Paul who said:

> I have fought the good fight, I have finished the course, and I have kept the faith.

I want to commend and congratulate Mayor Al Bissell for a job well done. And I wish him and his wife Helen much happiness as they enjoy their richly deserved retirement years.

DR. KAROL RIPA, 1895-1983

Mr. PERCY. Mr. President, I wish to bring the attention of my colleagues to the recent passing of Dr. Karol Ripa, founder and president of the Polish Hungarian World Federation and a dear friend of mine for more than 20 years. Dr. Ripa died on March 17 at the age of 88.

A warm, kindly man and dynamic and effective leader, Dr. Ripa had a lifetime of accomplishments. Born in Lisko, Poland, in 1985, he studied economics, politics and the law in Lwow, Vienna, and Poznan, receiving two doctoral degrees. He spoke 10 languages fluently.

He began a career as a Polish consular officer, serving between the wars in Koenigsberg and Allenstein in East Prussia, Warsaw, Berlin, and Czechoslovakia. An assignment as Consul General in Pittsburgh brought him to the United States for the first time in 1935 and he served there until 1938 when he was reassigned to the Foreign Ministry in Warsaw, which he helped evacuate when Nazi and Soviet forces invaded Poland. He returned to the United States in 1939 as Consul General in Chicago for the Polish Government-in-exile. In 1944 he was a councilor of the exile government in London, and the next year settled permanently in Chicago, serving at the outset as a representative of the Polish Red Cross and the World Union of Poles.

As a young man, in 1914, he had been exiled to Siberia for 5 years by the Russians who occupied the area of Poland in which he was living. While in Siberia, he organized an association of Poles and served as assistant secretary of a Danish committee to assist prisoners held in Siberia. After the Bolsheviks came to power, Ripa was jailed and condemned to death for his activities for a free Poland. He escaped and fled with his 17-year-old wife to Harbin, China. They returned to Warsaw in 1921.

After World War II, Dr. Ripa worked for 19 years as an adviser to Archbishop Bernard J. Sheil of Chicago, who founded the Catholic Youth Organization (CYO). Dr. Ripa also was a regular commentator on international affairs for WFJL, a Chicago radio station.

In 1950, he was appointed editor-in-chief of the American Press Service, a Catholic news agency based in Brussels and disseminating information in the English, French, German and Polish languages. In 1963 he founded the Polish Hungarian World Federation and Affiliates of which he was president until his death. The federation is dedicated to the rights to nations to independence and self-determination.

The City Council of Chicago, in 1964, adopted a resolution honoring Dr. Ripa "for his selfless and untiring humanitarian service" and noting his "cultural, charitable and civic endeavors on behalf of our senior citizens and our youth." The resolution was signed by Mayor Richard J. Daley who proclaimed Dr. Ripa to be an "honorary citizen" of Chicago.

Over the years Dr. Ripa received many other honors and awards from allied nations, ethnic groups and relief organizations.

I am pleased to express in the Senate of the United States my own personal admiration for this wonderful man, and I am glad that I expressed my admiration, and affection, to Dr. Ripa on many occasions while he was alive.

I extend my condolences, already expressed privately, to Dr. Ripa's loving wife Antonia; to Dr. Ripa's son, my friend Thaddeus (Ted), an officer of the State Department; to his daughter-in-law Charlotte; and to Dr. Ripa's grandchildren Thaddeus Karol, Caroline and Richard.

NATIONAL PROGRAM TO SERVE DISABLED MOTORISTS

Mr. PERCY. Mr. President, I would like to commend to the attention of my Senate colleagues a cooperative program recently launched by the Rehabilitation Institute of Chicago and its service affiliate, Access Living, and the Midwest Petroleum Marketers Association (MPMA). This new program will enable disabled persons who cannot serve themselves to benefit from the lower gasoline prices at major and independent stations which offer full-serve and self-serve facilities.

With few exceptions, the disabled are determined, resourceful people who have overcome some of life's most difficult obstacles. The Rehabilitation Institute of Chicago, the largest comprehensive rehabilitation hospital in the United States, plays a major role in this endeavor. Together with Access Living of Metropolitan Chicago, its information and referral program in the community, the Rehabilitation Institute works to provide services that assist individuals in becoming more self-sufficient and independent. Helping the disabled obtain the specialized public facilities they require is one of Access Living's primary goals.

I have long supported programs which promote equal opportunities for disabled persons. One area that has been neglected, however, is the service station. Because of the inability to operate fueling equipment, these men and women who have been able to master other impediments are deterred from purchasing gasoline where they wish as competitive rates. The program developed by MPMA, the Institute, and Access Living responds to this important community need and demonstrates the great strides that can be made when business and private organizations work together toward a common goal.

To take part in the program, the disabled motorist's car should display either a handicapped license plate or a readily identifiable special visor decal, issued by participating stations. Persons requesting such a visor decal must furnish proof to the station of their disability, verifying that self-service is unreasonably difficult or impossible. Participating stations will be designated by signs with the handicapped logo and the words "service for the handicapped." Upon arrival at a designated service station island, disabled persons will sound their horn three times in rapid succession, thereby identifying themselves as disabled (prior to license plate or visor decal verification).

Prices charged to disabled motorists will be those advertised for and posted at the self-serve island(s). The disabled should also benefit from discount for cash programs wherever applicable. By the same logic, if a credit card is used for payment, the credit price per gallon is applicable, as it would be for any other customer. Dealers who join MPMA's program will assume responsibility for pumping gasoline. Stations may also wish to clean the windshield and check under the hood, but this is an optional service.

I believe that the most significant aspect of this program is that it shows that the private sector will, of its own volition, go out of the way to assist persons where there is a special need. Although the actual kickoff date for the MPMA's program is not until September, response to the program by major and independent oil companies thus far has been uniformly favorable. This program gives the Nation's petro-

leum marketers a rare opportunity to render a valuable community service. I hope that other associations across the country will seize this chance to take part in this innovative and worthwhile program.

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

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

CONCLUSION OF MORNING BUSINESS

Mr. STEVENS. Mr. President, is there morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS UNTIL 2 P.M.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate stand in recess until 2 p.m.

There being no objection, the Senate, at 12:16 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. DOLE).

QUORUM CALL

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

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

INTERNATIONAL TRADE AND INVESTMENT ACT—S. 144

AMENDMENT NO. 1193

Mr. DOLE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending question is the amendment of the Senator from Louisiana (Mr. LONG).

Mr. LONG. Mr. President, it is my understanding that the Senator from Wisconsin feels that he should move to table the amendment that I have pending.

I think I have made my position clear. I would just like to have the opportunity to vote for what is my declared position. I think we should insist on a straight repeal of withholding.

I fully anticipate the Senator's arguments, and I just think we could save a lot of time here, when Senators have other things to do.

If the Senator wants to make his motion to table, the motion that I believe he wants to make, I would be glad to yield for that purpose.

Mr. DOLE. Mr. President, could I just have a couple minutes?

Mr. LONG. Yes.

Mr. DOLE. Mr. President, I rise to support the Dole compromise amendment which would delay withholding during a test period for alternative compliance measures, and to oppose the amendment of the senior Senator from Louisiana. Senator LONG's amendment would repeal the withholding law rather than delay its implementation. In addition, the Long amendment would completely nullify the alternative compliance measures contained in the compromise as a partial substitute for comprehensive withholding.

I would ask my colleagues on both sides of the aisle, including those on both sides of the withholding issue, to join with me in supporting the compromise so that something positive can emerge from a controversy that has been so troubling for so many months to many Members. I do not quarrel with the Senator from Louisiana for seeking a vote on an issue he has promised his constituents he would vote on. I believe that such a vote is unnecessary, but I can understand the political considerations that may prompt the desire for such a vote.

I do have some concerns, however, about the provisions of the Long amendment that would not only repeal withholding, but also prevent a series of well-thought-out alternative compliance measures from taking effect.

The revenue estimators of the Joint Committee on Taxation tell us that our backup withholding provisions, increased payor penalties, and authorization of additional resources for the IRS will, given sufficient follow-through in the appropriations process, save a considerable portion of the $13.4 billion that would otherwise be given away by the Long amendment. I should point out that this is because the IRS and Treasury now believe that backup withholding is practicable, but I should also point out that the IRS has not had very much time to study this compromise that was worked out in 3 hours. So the estimates could change. Also, the House of Representatives may come up with a better alternative.

Although the IRS and the joint committee advise us that attaching 1099 forms to individual returns will not improve compliance, some Members feel it will. I must admit, it seems to me there may be some advantageous, psychological effect on compliance from requiring attachment of 1099 forms, I am not an expert, and the experts disagree, but we have included that to make an honest effort at improving compliance.

Frankly, I cannot understand the argument, from a tax policy perspective, for repealing withholding and putting nothing in its place. The only argument against withholding that has ever made any sense to me has been: Maybe there is a better way to improve compliance. Hire more IRS agents, give them more effective tools, improve the quality of information reporting documents, at least give this all a try before making the big jump to withholding.

I know the attractiveness of this position, because that was where I stood when President Reagan originally proposed withholding in last year's budget.

I came to believe that it is the wrong position, since I was advised by the tax compliance experts that while our alternative can help, it will never be as effective or efficient as withholding. But I am a realist, and I support getting some improvement in tax compliance rather than none at all.

I can count. I can understand the reduced revenue estimates from this alternative compared to withholding. But I can also count votes, and believe I know when to compromise for the public interest.

We don't have the votes to improve tax compliance by $13.4 billion through withholding—$17.7 billion in total—but I hope we would have the votes to improve compliance by $8.2 billion on withholding—$12.5 billion in total. That is politics, and I can understand it. I don't like it or agree with it, but I can accept it.

It is a different story to say we should vote against doing anything to improve tax compliance. I do not believe there is a single Senator who does not think we should improve tax compliance. But I am concerned that a vote to repeal withholding and put nothing in its place would be perceived, inaccurately, as a vote to tolerate tax fraud and noncompliance.

The compromise we have reached is not a substitute for withholding. It is not even a second best alternative to withholding. It is probably the third or fourth best alternative to withholding, depending on whether Congress later agrees to appropriate sufficient funds for the IRS to implement this compromise. But the compromise is better than approving the Long amendment.

It loses less revenue, it produces a fairer tax system, and it sends a healthier message to the American taxpayer. In short, it is better tax policy. Not the best, perhaps, but better.

I ask unanimous consent to include in the RECORD a table summarizing information concerning the revenue esti-

mates on withholding, information reporting, and the Dole compromise.

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

Current cumulative revenue estimate

[Dollars in billions—fiscal year 1983-88]

1982 compliance changes	
Withholding	13.4
Information reporting	4.4
Total	17.7
Dole compromise	
Withholding	8.2
Information reporting	4.4
Total	12.5
Comparison	
Dole compromise as percentage of 1982 TEFRA changes (total)	70.6
Dole compromise as percentage of 1982 TEFRA changes (withholding only)	61.2

CHANGES IN THE REVENUE ESTIMATES

1. The most recent change (April, 1983) reduced the estimate because (1) at the request of the large banks and others original issue discount reporting was delayed by 6 months and (2) the end-of-year withholding rules were expanded. The result of these two changes was to reduce the acceleration caused by withholding by $4.3 billion and compliance by 500 million. The revenue reduction in information reporting was $200 million. Thus, the total revenue gain dropped from $22.7 billion to $17.7 billion.

2. An additional reduction of the revenue estimates was made in March 1983, because of an error in the original revenue estimate for dividends. That revision reduced the total estimate by $3.2 billion, from $25.9 billion to $22.7 billion.

Mr. President, I think the Senator from Louisiana has properly stated it. We could spend the afternoon here talking about what we have been talking about over the period of the last 6 weeks. I think everyone knows what the repeal will do, and everyone knows I think by now what the so-called compromise will do.

I think when there is a choice between those two, it is very clear to me that we should table the repealer amendment and then adopt the compromise which will be voted on after that.

I think right now the focus is narrow. We have, on the one hand, a compromise which I understand is supported by the American Bankers Association and others who have been so concerned about withholding. I am not certain they would not like the repeal better, but I think they have indicated some support for the compromise.

It would seem to me that the compromise has some merit, even though I still prefer withholding. At least, we are going to be picking up a substantial amount of that revenue, assuming the estimates are correct and assuming, second, that we do give the IRS an additional appropriation.

So we lose in the compromise over present law about $5.2 billion.

But, on the other hand, we lose $13.4 billion if we do not table the repealer. The compromise would pick up about 70 percent of the revenue raised by the 1982 TEFRA changes in withholding and information reporting. Looking only at withholding, the compromise gets about 61 percent of the revenues of comprehensive withholding.

So, even though I got my daily spanking on banking today from the Wall Street Journal editorial page, we do still have a considerable revenue pickup, even with the compromise.

It just seems to me that the vote on this issue is whether we want to give away that $8.2 billion. I do not think we should have given anything away. That is my view. But we have done that. We have made that decision. That decision is behind us.

Senator LONG believes there should be a record vote on whether or not we are going to repeal it altogether. I am prepared to vote, and I think the issue has been drawn.

Mr. LONG. Mr. President, let me make it clear that as far as the Senator from Louisiana is concerned, he totally respects the right of those who negotiated this proposed compromise to press for it, and if he were a party to an agreement, he would be supporting it himself.

The Senator from Louisiana was not a party to this agreement. He did not make the compromise. He did not make the agreement, and the Senator from Louisiana can only rely on the record. So far as this Senator knows, there are no assurances that the House of Representatives will consider the measure. There is no assurance that the House of Representatives is going to pass it. There is no assurance that the bill will ever get to the President's desk. In the event it gets to the President's desk, there is no assurance the President is going to sign the bill.

Looking at all those uncertainties, this Senator just feels that he would prefer to be on record voting the way he said he was going to vote.

Does the Senator desire me to yield for a question? I indicated I was going to yield because the Senator was going to make a motion to table.

Mr. MELCHER. I thank the Senator for yielding, but I would like to direct my remarks to the chairman of the Committee on Finance.

Mr. DOLE. Yes.

Mr. MELCHER. You mentioned about between $12 billion and $13 billion in the revenue estimate or maybe you mentioned a larger figure. It is all very confusing because the current budget estimate of April 1983 by the Congressional Budget Office, which is dated April 12, shows a substantially smaller amount of estimate on withholding. I wonder if the Office of Management and Budget figures are wrong?

Mr. DOLE. It is possible.

Mr. MELCHER. It is possible.

Mr. DOLE. I might say that I confess to the Senator from Montana that I have had so many numbers thrown at me from the staff of the Joint Committee on Taxation and the Treasury Department that I am not certain from day to day what the numbers are.

Mr. MELCHER. They seem to indicate $10.1 billion.

Mr. DOLE. That is still a substantial amount, but the current estimate is $13.4 billion from withholding, $4.4 billion from 1982 improvements in information reporting, for a total of $17.8 billion.

Mr. MELCHER. It is a substantial amount. But there is a substantial difference between the figures you are citing and what we believe from their April 12 figures to be from the Office of Management and Budget.

I thank both Senators for yielding.

Mr. KASTEN. Mr. President, I am going to move to table the Long amendment. I believe that the chance for repeal in a straightforward way without any of the matching up requirements would be vetoed, and I also believe that that particular provision, the Long amendment as it is, would not be likely to receive any consideration in the House of Representatives.

It is my firm hope and belief—and I have had discussions with people in the House—that the modifications we have made, which some believe to be a compromise and I believe to be a compromise, will make it more likely that we will be successful in House action and more likely that the issue will be accepted by the President.

So those people who are interested in solving the problem of the 10-percent withholding on interest and dividends, of settling this question by matching up the information that the IRS already has, and by, in my opinion, making it unnecessary for us to ever have withholding, would be well-served to vote with me to table the Long amendment and then vote on the Kasten-Dole-Stevens compromise because that, in fact, is the way we can make a change, make a difference. The other vote would be a cosmetic vote that I believe would not be able to go through the House or the Senate.

I would, first of all, Mr. President, ask unanimous consent that the vote on the Kasten-Dole-Stevens compromise occur immediately after the vote before us right now.

The PRESIDING OFFICER (Mr. JEPSEN). Is there any objection? The Chair hears none, and it is so ordered.

Mr. KASTEN. Mr. President, I move to table the Long amendment.

Mr. LONG. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. KASTEN. Mr. President, I ask for the yeas and nays on the Kasten-Dole-Stevens compromise.

Mr. STEVENS. I ask that it be in order to ask for the yeas and nays.

The PRESIDING OFFICER. Is there objection to asking for the yeas and nays?

Mr. LONG. On both votes.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. Is there objection? The Chair hears none, and it is so ordered.

The yeas and nays were ordered.

Mr. KASTEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KASTEN. Mr. President, did we receive unanimous consent in order to have a vote on the compromise immediately thereafter?

The PRESIDING OFFICER. That is correct.

Mr. KASTEN. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wisconsin to lay on the table the amendment of the Senator from Louisiana. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Idaho (Mr. SYMMS), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from Colorado (Mr. HART) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 55, nays 40, as follows:

[Rollcall Vote No. 61 Leg.]

YEAS—55

Abdnor	Hatch	Packwood
Armstrong	Hatfield	Percy
Boschwitz	Hawkins	Pressler
Chafee	Hecht	Proxmire
Chiles	Heinz	Quayle
Cochran	Humphrey	Roth
Cohen	Jepsen	Rudman
Cranston	Kassebaum	Simpson
D'Amato	Kasten	Specter
Danforth	Kennedy	Stafford
Denton	Lautenberg	Stevens
Dodd	Laxalt	Thurmond
Dole	Levin	Tower
Domenici	Lugar	Trible
Durenberger	Mathias	Wallop
Garn	Mattingly	Warner
Goldwater	McClure	Wilson
Gorton	Metzenbaum	
Grassley	Murkowski	

NAYS—40

Andrews	Burdick	Heflin
Baucus	Byrd	Helms
Bentsen	DeConcini	Hollings
Biden	Dixon	Huddleston
Bingaman	Eagleton	Inouye
Boren	East	Jackson
Bradley	Exon	Johnston
Bumpers	Ford	Leahy
Long	Nunn	Sasser
Matsunaga	Pell	Stennis
Melcher	Pryor	Tsongas
Mitchell	Randolph	Zorinsky
Moynihan	Riegle	
Nickles	Sarbanes	

NOT VOTING—5

Baker	Hart	Weicker
Glenn	Symms	

So the motion to lay on the table amendment No. 1193 was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Statements delivered or submitted relating to the compromise are as follows:)

Mr. THURMOND. Mr. President, I am pleased to be a cosponsor of the compromise amendment drafted by Senators KASTEN, DOLE, STEVENS, and others, which would delay implementation of the 10-percent withholding requirement on interest and dividend earnings for at least 4 years until July 1, 1987. After extensively studying the problems of implementing the withholding requirement and reviewing information not available to the Senate last year about more desirable alternative tax collection methods, I have concluded that the provision should be replaced with procedures which are less burdensome, intrusive, and costly.

In my judgment, the compromise struck as a result of extended, detailed discussions and hard bargaining among Senators, Treasury Department representatives, and others is both fair and reasonable. It would delay by 4 years mandatory withholding on interest and dividends until at least July 1, 1987. Withholding would only go into effect on that date if both Houses of Congress approve, and only if the General Accounting Office determines that the 1985 tax compliance rate on individual interest and dividend income is less than 95 percent. In place of the mandatory withholding from nearly all taxpayers, the IRS would be permitted to require backup withholding at a 20-percent rate from those individuals who, after fair notice by the IRS, fail to honestly report their interest and dividend earnings. Additionally, all taxpayers with this type of income would be required to include the form 1099 statements of interest and dividend earnings with their tax returns, just as they now must include their form W-2 statements of wage and salary income. In turn, the IRS will be required to improve their computerized procedures of matching 1099 information reports from payers of interest and dividends to tax returns, and payers will be required to facilitate the matching process by furnishing reports on magnetic tape. Finally, penalties for negligence and fraud will be increased.

Mr. President, the thrust of this proposal is to minimize the burden on honest taxpayers and direct enforcement efforts at the small percentage who fail to fully report their interest and dividend earnings. It also avoids the imposition of costly new procedures by financial institutions and leaves the tax collection burden where it primarily belongs—with the Internal Revenue Service. From a budgetary standpoint, these alternative procedures are estimated to generate about two-thirds of the tax revenue which the mandatory 10-percent withholding procedure would have gained for the Treasury, and I would not be surprised if the IRS finds it can do even better than that.

Mr. President, I had initially supported withholding with great reluctance and only after specific exemptions were included for low-income individuals, small savers, and the elderly. However, I have become increasingly concerned that those exemptions may not be sufficient to relieve hardship on individual investors and financial institutions.

The mandatory withholding requirement is simply too confusing, complicated, and burdensome for individual savers. I have heard from thousands upon thousands of savers in my State of South Carolina who are bitterly opposed to the withholding requirement and who fear that it will greatly reduce their interest earnings. I know that other Senators have experienced a similar outpouring of concern. Although in reality this new method of collecting taxes on interest and dividend earnings at the source would not cause any honest taxpayer to pay more taxes, nor result in a significant loss of interest income to the taxpayer, nevertheless it is apparent that the withholding requirement is widely misunderstood and misapprehended. Since the public lacks confidence in the fairness or necessity of this procedure, I am concerned that it has the potential for discouraging savings, which would undermine long-term economic recovery.

Banks, savings and loans, and credit unions have made a strong case that the withholding requirement could potentially cost them millions of dollars in lost investments and administrative expenses. For instance, one of the larger savings and loans in my State has estimated that the new procedure will increase their administrative costs by about $300,000 and cause the possible loss of $6 million in withdrawn deposits.

To the extent that operating and administrative costs to these institutions are increased by this procedure, interest and dividend withholding would have the effect of reducing taxes paid

to the Government by banks and S&L's, interest earnings paid to depositors, and would tend to keep interest rates for borrowers higher than they otherwise would be. The mandatory requirement essentially would have made tax collectors out of our financial institutions—a responsibility that properly rests with the Internal Revenue Service—and it would have unduly burdened honest taxpayers in order to collect taxes from those who do not comply with the law.

Mr. President, all things considered, this compromise is a vast improvement over the mandatory withholding procedure, and I believe it will prove to be far more acceptable to the American people. I hope that the Senate and the House promptly adopt this new proposal, and I shall strongly recommend to President Reagan that he sign the bill.

Mr. PERCY. Mr. President, I rise to support the compromise that has been reached on interest and dividend withholding.

I have supported repeal of withholding since Congress passed it last summer. I voted against withholding when it was raised in the Senate last year, as well as in 1976 when the concept first came before us.

I congratulate my colleagues, Senator DOLE and Senator KASTEN for this compromise that addresses our major concerns over withholding. As I understand the compromise described today by my colleagues, it has several parts. It would:

One, delay interest and dividend withholding until July 1, 1987. So the July 1, 1983, withholding date would be put off for 4 years. Withholding will begin in 1987 only in certain circumstances. By that, I mean that withholding would take effect only if the General Accounting Office (GAO) certifies that the 1985 compliance rate is not at least 95 percent. In other words, we will not have withholding if taxpayer compliance on interest and dividend taxation improves.

Second, both Houses of Congress would have to vote affirmatively to accept the GAO findings before the withholding goes into effect.

Third, I understand the compromise will provide the type of backup withholding that Senator KASTEN has advocated in his legislation, S. 222. There will be a strong effort to insure correct use of taxpayer identification numbers. In addition, copies of the 1099 information reports will be required to be filed with returns. Taxpayers already receive 1099's from their banks and companies in which they own stock. They will now be required to staple these to their tax forms so IRS could check on compliance. Banks will be required to provide IRS with magnetic tapes to facilitate this comparison.

Fourth, IRS will be required to implement a better program for matching 1099 returns with tax returns. Penalties will be increased for taxpayers who seek to avoid taxes on their interest and dividend income.

This compromise is preferable to the full withholding on interest and dividends that is slated to take effect in July. It does not go as far as S. 222, Senator KASTEN's repeal bill that I have cosponsored, but it is an acceptable compromise.

I congratulate my friend from Wisconsin (Mr. KASTEN) for taking the lead on this important issue and for his tireless efforts to bring to the attention of the American people the costs that this type of withholding will impose on the savers—especially the smaller savers—of this country.

At a time when Congress and the President have declared the importance of stimulating savings and investment, withholding is enacted as one of the greatest savings disincentives ever passed by Congress.

Now some of my colleagues may be surprised to hear that this new law is going to impact on small savers especially. At times, some proponents of withholding have said that repeal is a big bank, rich taxpayer concern.

Let me say that my experience in Illinois is far from that simple stereotype. In fact, the mail I have been receiving—340,000 pieces in just the last 3 months and equal to the mail I usually receive in 1 entire year—comes mostly from the small towns and small financial institutions in Illinois. Our State probably has more banks and savings and loan associations than any other State in the Union because of its long history as a unit banking State. And there is good reason that I am hearing from the small savers and small institutions. Over 30 percent of all this mail is in the form of handwritten letters.

First, the small banks are going to have to pay for the computerized services to process the redtape associated with withholding. Now a large Chicago bank will have to make larger expenditures—several million dollars for each large bank in Chicago—but the smaller banks will have to ante up quite a large amount, too, although it may seem small compared to what the bigger banks will pay for compliance.

Second, the small savers at all institutions will be affected by withholding. The banks will have to pay for it in some way and it may result in higher interest costs charged borrowers, lower interest rates paid on savings accounts or reduced earnings. This is not a costless program to the private sector and the costs will run considerably above what the Treasury has estimated it will cost for private financial institutions. In fact, it strikes me as odd that the Treasury claims it would cost it several billion dollars to collect unpaid taxes on interest and dividends, but much less for the private sector.

A recent article in the Chicago Sun-Times was headlined, "Withholding Hurts Small Savers." Now the Sun-Times is no fan of withholding repeal and has, in fact, editorialized in support of withholding. They are one of the few newspapers in my State of Illinois that have supported withholding.

Yet they have pinpointed an additional cost to savers that has gone largely unnoticed in this debate over withholding.

Let me just quote a few paragraphs from their article of March 27.

The article opens with this sentence:

> The federal government's controversial plan to withhold tax on interest payments will penalize some 10 million savers who are already overwithheld.
>
> That was a key conclusion reached when the Sun-Times used a computer to analyze the plan to withhold 10 percent of all interest and dividend payments beginning in July.

The paper went on to say that:

> A major group of losers under the new withholding plan, the Sun-Times found, are 10 million taxpayers who already have too much withheld from wages or salaries.
>
> For this group, an additional layer of withholding on interest payments will just make a bad situation worse.

Mr. President, I ask unanimous consent that the entire article from the Sun-Times be included in the RECORD at this point.

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

[From the Sun-Times, Mar. 27, 1983]

WITHHOLDING HURTS SMALL SAVERS

(By Thomas J. Moore)

WASHINGTON.—The federal government's controversial plan to withhold tax on interest payments will penalize some 10 million savers who are already overwithheld.

That was a key conclusion reached when the Sun-Times used a computer to analyze the plan to withhold 10 percent of all interest and dividend payments beginning in July.

To find out who would be affected, the Sun-Times used a scientifically selected sample of tax returns from which names and other identifying data had been removed.

A major group of losers under the new withholding plan, the Sun-Times found, are 10 million taxpayers who already have too much withheld from wages or salaries.

For this group, an additional layer of withholding on interest payments will just make a bad situation worse.

The problem occurs, the Sun-Times found, because the automatic exemption for small savers is set too low—exemption begins as soon as the saver earns $150 or more in interest and dividends.

Over-withholding is worst among small savers: 73 percent of savers with $500 or less in annual interest were already over-withheld by $100 or more, according to the sample of returns filed in 1981 for the previous year.

The new law requires savings institutions to withhold income tax on interest-bearing accounts. But they are allowed to exempt accounts earning $150 or less per year. The account-holder does not have to file a special form.

This saves approximately 14 million taxpayers from additional and unnecessary withholding.

A much smaller group would qualify for special exemptions for low-income people and the elderly. But individuals have to take the initiative to get the forms and file them at a financial institution.

That leaves 10 million taxpayers who will have 10 percent of their interest withheld from their small savings accounts even though they already have too much withheld from their salaries or wages.

A Treasury Department spokesman, asked about the Sun-Times findings, said the department had never looked at the question of whether people subject to interest withholding were already over-withheld.

"They can always adjust their W-4 [wage withholding] form if they are over-withheld," the spokesman said.

But the Sun-Times found that over-withholding on interest could be cut in half simply by raising the automatic exemption from $150 to $500. Since the withholding amounted to less than $50 per account, raising the exemption would cut paperwork and would not create a significant loss.

Unlike individual exemptions—which require millions of forms to be processed—the automatic exemptions can be handled through the computers at savings institutions.

Spokesmen for the American Bankers Association and the U.S. League of Savings Institutions said most of their members would use the automatic exemption plan.

It would be no more trouble to set the exemption level at $500 rather than $150, they said.

The withholding plan has triggered a furious debate in the U.S. Senate, where Sen. Robert W. Kasten Jr. (R-Wis.) is leading a campaign to block the plan and Sen. Robert J. Dole (R-Kan.), the Finance Committee chairman, is trying to ensure it goes into effect.

Behind Kasten's effort is a well-coordinated mass lobbying effort by the banks and thrift institutions.

And Dole's well-orchestrated counter-campaign has the full backing of the Reagan administration.

The heated conflict has spawned some nasty charges. Dole and President Reagan have attacked the "banking lobby" for being greedy and misleading the public.

Kasten and his Senate allies have argued the plan will not raise revenue and will penalize small savers and the elderly, who are especially dependent on interest income.

Treasury Secretary Donald T. Regan insisted that the purpose of interest withholding is to stop tax cheating—not to penalize small savers.

Because of withholding on wages, Regan said, practically all the taxes owed on salaries and wages are collected.

Even for those who don't bother to file returns, the government simply keeps the withholding.

But the financial institutions claim that the withholding will cost them more money that the government will get in extra tax revenue.

Mr. PERCY. Mr. President, I should like to point out that the intangible cost of added redtape also applies in this case. Proponents of withholding on interest say that the law is replete with exemptions for the elderly and the poor. It is true that the law is written with these exemptions, but each taxpayer will have to file a special exemption certificate with each financial institution, on each account and with each company from which the taxpayer receives any dividends.

It may sound simple enough to us, but it will most likely be the low-income elderly and poorer taxpayers who will not find out about this requirement of law or who will fail to file the necessary paperwork. And so their accounts will be withheld on. But to get their interest income back, another form will have to be filed with their taxes the next spring. Yet some of these same taxpayers are exempt under the law from filing any tax form. For example, the elderly poor who have less than $4,300 in income must file no tax form with the IRS. So in their case, their tiny but essential amount of overwithheld interest income might be lost to them entirely because they would not file for their refund.

Mr. President, I do not wish to belabor this point, but Congress has chosen a very cumbersome route to collect the billions of dollars owed the Federal Government. The new law in effect says the end justifies the means, no matter how much redtape that means for the private sector. Americans want a government that collects taxes rightfully owed by taxpayers. But in doing so, we must remember the fundamental principle of American Government that our laws are designed to serve the people and not vice versa.

One of our former colleagues, a distinguished constitutional scholar in his own right, has recently written to the Wall Street Journal about withholding. On March 29, the Wall Street Journal printed a letter from former Senator Sam Ervin, Jr. It is an excellent letter and it touches on the point I just raised.

Mr. President, I ask unanimous consent that Senator Ervin's letter be included in the RECORD at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is ordered.

(See exhibit 1.)

Mr. PERCY. Mr. President, in closing I should like to bring to my colleagues attention the wide discrepancy in costs associated with withholding. The following chart should place this in perspective. The first line is the Treasury estimates of the estimated additional revenue from withholding, amounting to $22.7 billion between now and 1988.

The second line is that of Donald Puglisi of the University of Delaware, prepared at the request of the U.S. League of Savings Institutions. Mr. Puglisi has determined that the new law will lead to a net loss of $1.8 billion over the next 5 years. He has factored other elements into the Treasury estimate and contends that as much as $4.6 billion of "new" revenue would be realized anyway, that $4.1 billion is an overestimate of speedier tax payments and that $2.7 billion is overestimated because of reduced dividend and interest income. In addition to these miscalculations, Mr. Puglisi contends that as much as $13 billion will not accrue to the Government because of failures of IRS to beef up its enforcement activities.

If Mr. Puglisi is right, the new law will have saddled honest taxpayers with an enormous paperwork burden without producing the revenue promised. I ask unanimous consent that a chart comparing these two estimates be included in the RECORD at this point.

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

WITHHOLDING: REVENUE GAIN OR LOSS?

[In billions of dollars]

	1983	1984	1985	1986	1987	1988	Total
Treasury estimate	+1.2	+5.7	+3.4	+3.7	+4.2	+4.5	+22.7
U.S. League estimate	−.4	+.2	−.5	−.3	−.4	−.4	−1.8

Mr. PERCY. Mr. President, I intend to vote for this compromise provision because of the reasons I have outlined.

EXHIBIT 1

DIVIDEND, INTEREST WITHHOLDING SCORNED

I want to commend the excellent editorial entitled "Tax Revolt (Cont'd)" (March 17).

As an American who abhors tyranny, I condemn the dividend and interest withholding law which takes effect July 1. Its implementation would constitute rank tyranny on the part of the federal government because it vests the sins of the guilty upon the innocent.

Under existing law every law-abiding taxpayer having dividend or interest income pays 25% of the federal income tax due on such income every three months. It is unnecessary to have a withholding law which compels the withholding by banks and financial institutions of 10% of such income as it matures.

As the editorial points out, IRS is trying to get the banks and financial institutions to perform its duties. If IRS would perform its duty and call upon taxpayers who try to cheat on these items of income, it could collect virtually all of the unpaid income taxes on these items by simple demands in letter form. It then could prosecute in the federal courts those who refuse to heed these demands.

President Reagan, Secretary of the Treasury Regan, and Senator Bob Dole have been making threats against banks and financial institutions for encouraging lobbying against this withholding law. They assert, in substance, that the only opponents of this law are banks and financial institutions. The truth is that untold millions of law-abiding taxpayers deeply resent this law and they are demanding it repeal.

If the President, the Secretary of the Treasury, and Senator Dole would read the First Amendment, they would discover that it gives every American the right to petition the federal government for a redress of grievances. They might then realize that these banks and financial institutions and millions of law-abiding taxpayers are merely exercising their constitutional right to petition for a redress of a serious government grievance and might stop their threats.

SAM M. ERVIN, Jr.,
Former U.S. Senator.

Morganton, N.C.

Mr. BYRD. Mr. President, as my colleagues and most Americans know by now, the Senator from Ohio (Mr. GLENN) has journeyed to his hometown of New Concord, Ohio, today to make an announcement of considerable importance. The Senator from Ohio (Mr. GLENN), the record should show, has been a consistent opponent of withholding of taxes on interest and dividend income. In his necessary absence, I ask unanimous consent that a statement prepared by the Senator from Ohio be printed in the RECORD prior to the vote on final passage of this amendment.

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

(The statement ordered to be printed in the RECORD follows:)

WITHHOLDING ON INTEREST AND DIVIDEND INCOME

● Mr. GLENN. Mr. President, my record of opposing withholding on interest and dividend income goes back to 1980 when I cosponsored a Senate resolution opposing such withholding in principle. I voted against withholding when the 1982 tax bill was before the Senate, and in January of this year I cosponsored legislation to repeal withholding.

Withholding on savings is bad economic policy. It discourages savings at a time when our Nation has a critical need for savings capital to finance economic growth. We now have the lowest savings rate of any industrial nation in the world and should be doing all we can to encourage savings, not the opposite.

A substantial proportion of the increased revenues from withholding comes from accelerated tax payments. This burden falls inequitably on the millions of honest taxpayers and small savers who are among the 74 percent of American taxpayers who are already overwithheld on their salary incomes. Withholding on interest and dividends only magnifies the overwithholding problems for taxpayers in this category. Overwithholding is inequitable because it is an interest-free loan to the Government from taxpayers. Many of these taxpayers are the elderly who rely on their interest and dividend income to meet daily expenses. I am concerned that the exemption process written into the 1982 law would fail to work and thus force elderly people, who otherwise would not be required to file a tax return, to file a complicated tax report to obtain refund of their meager interest and dividend earnings.

The IRS already has a mechanism to collect taxes on interest and dividends on a pay-as-you-go basis. Taxpayers who have significant income not subject to withholding are required to make quarterly tax payments. Those who underpay or fail to file quarterly tax returns are subject to a penalty plus interest on the underpaid amount. Payers of interest and dividends furnish the taxpayer and the IRS with a form reporting such income.

Indeed, most of the revenue lost to the Government from failure to report interest involves instruments such as bearer bonds and U.S. Treasury obligations, not savings accounts. This is because payers of interest on these obligations, including the U.S. Treasury, have not been required to submit payee information to the IRS. The 1982 tax law requires such reporting in addition to the new 10-percent withholding. Repeal or delay of withholding will not affect the reporting requirement, which by itself will foster compliance.

Mr. President, withholding is not just a bankers' issue, as some would have us believe. It is an issue that affects savers and investors. Its costs of administration are high and these costs would fall unevenly upon the small savers and the community financial institutions of this country. I believe that is onerous. I would favor outright repeal of the withholding requirement, but believe that the compromise being voted upon in the Senate today does go a long way to correct the problems associated with withholding.●

Mr. JEPSEN. Mr. President, I should like to express my support for the compromise tax compliance measure, as a cosponsor, and compliment the architects of this solution. This compromise is a well-crafted, moderate approach to the problem of tax evasion. Moreover, it would avoid the somewhat drastic approach of the existing withholding law. This compromise represents a victory for commonsense. There can be no question about the popular outrage concerning tax withholding on interest and dividends.

As Senators know, I have opposed the tax withholding proposal since it was first considered by Congress. I believe that penalizing innocent taxpayers and imposing the heavy costs on savers and financial institutions is excessive and counterproductive. At a time when we are trying to encourage people to save and invest more, adding withholding and regulatory burden on these savers makes no sense. I am convinced that we should do everything to encourage saving and capital formation. Subjecting savers and saving institutions to additional redtape and advance taxation discourages savings.

On the other hand, Mr. President, I agree that we must be concerned about tax evasion. We cannot ignore the willful and illegal evasion of our tax laws. While I agree that taxation should be as simple as possible, I also believe it should be applied fairly. Honest individuals who pay their taxes should not have to assume the burden of those who illegally evade their fair taxes. In administering and enforcing the Tax Code, we must avoid excessive burdens and harassment. Many citizens realize that the IRS is as capable of bureaucratic abuse as any other Federal agency. The proposed tax withholding on interest and dividends simply went too far.

The compromise before us today mandates improved reporting and will make tax cheating more dangerous than ever. Magnetic tape reporting and better IRS monitoring and matching of information on tax returns will make it easier to identify evaders. Those who do cheat on their taxes will have "standby" withholding. Finally, increased penalties should deter potential violators.

I am convinced that this compromise will achieve the increased compliance we are all seeking and will do so in a way that will minimize the cost and inconvenience.

It is my hope, Mr. President, that this compromise will be adopted by the Senate and the House. Despite what some in the media and Congress might have us believe, this is a consumer issue, not a banking issue. But, unless this law is delayed, many small banks and savings and loan associations will be severely affected. This compromise must pass. The Congress and President must act now.

Mr. HELMS. Mr. President, I am, and have been from the outset, unalterably opposed to the withholding tax on dividends and interest. I continue to believe that this Congress should repeal this withholding provision. I supported the amendment by the able Senator from Louisiana (Mr. LONG) which would have repealed the withholding outright. But Senator LONG's amendment was tabled, much to my regret.

Now comes the so-called compromise which, while it does not repeal the withholding, does defer its implementation until 1987. Moreover, we still have the option from this day on to repeal withholding with an amendment to any piece of "must" legislation considered by the Senate. So those of us who oppose withholding preserve our options.

Therefore, Mr. President, I imagine that all Senators—with the exception of a few who favor withholding—will support this compromise.

Mr. BOSCHWITZ. Mr. President, I rise as a cosponsor of this amendment to reach a compromise in resolving the controversial issue of withholding tax on interest and dividends. This issue has divided and delayed the Senate for well over a month now. I believe this amendment satisfactorily resolves the controversy without requiring that taxes be withheld on interest and dividends.

Indeed, this amendment is very similar to a bill—S. 791—that I introduced over a month ago, on March 11, to start a dialog between those in favor of withholding and those who want to repeal it. Both my proposal and this compromise amendment repeal withholding if the compliance level for interest and dividends reaches acceptable levels. In fact, this amendment requires Congress to vote to approve withholding even if a certain compliance level is not reached.

In addition, both my proposal and this amendment require financial institutions to report interest and dividends to the IRS on magnetic tape, to send individuals an "official 1099" each year, and to pay a penalty for sending the IRS incorrect social security numbers. With these provisions, I believe that withholding is not necessary.

Mr. President, since coming to the Senate, I have not encountered a more controversial issue. In the last 2 months, I have received over 150,000 cards and letters from individuals who oppose withholding. Before simply voting to repeal withholding, I wrote a letter to my constituents explaining withholding, why it was passed last year, and who was exempt from the withholding provisions.

I then asked my constituents to fill out a post card I sent them to let me know if they wanted me to vote to keep withholding, repeal withholding, or work on my proposal. The response has been outstanding: 86 percent of the responses still wanted to repeal withholding or work out a compromise. Indeed, 59 percent wanted me to keep working on a compromise. I would like to share three of the responses I received. These letters are a sample of the 35,000 replies I received to my letter—most urging repeal, compromise, or both.

Mr. President, I am pleased at this outstanding response from Minnesotans; it guided me to work for a compromise or repeal of withholding. I must say that the preference of Minnesotans was so clear that I would have voted for repeal if a compromise had not been successful. But I filed my proposal as an amendment to the bill and am pleased that it now serves as the backbone of the compromise now before us.

As elected officals we have an obligation to be responsive to the people who elected us. But, we also have an obligation to act responsibly. I believe this compromise amendment meets both of those obligations, and I urge my colleagues to adopt the amendment.

I ask unanimous consent to have two tables printed in the RECORD, as well as three letters I have received in connection with this matter.

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

CHART OF RESPONSES TO SENATOR RUDY BOSCHWITZ CONCERNING THE WITHHOLDING OF INTEREST AND DIVIDENDS

	Number	Percent of total responses
It's OK to keep withholding	2,239	
It's OK to keep withholding, but keep trying to work out the differences between the banks and the Government	2,653	
Total to keep withholding	4,892	14
Get rid of withholding	11,922	
Get rid of withholding, but keep trying to work out the differences between the banks and the Government	14,737	
Total to repeal withholding	26,659	76
Whatever you do, keep trying to work out the differences between the banks and the Government	3,398	10
Grand total number of responses	34,940	100
Total number of people who wanted us to work out a compromise (more than one choice could be selected)	20,779	59

COMPARISON OF BOSCHWITZ PROPOSAL AND APRIL 19 COMPROMISE ON WITHHOLDING

March 11 Boschwitz proposal	April 19 compromise
Delay until January 1, 1988; provides a 5-year transition period to determine if withholding is necessary to increase compliance. If the compliance level for interest does not increase from 90 percent to 95 percent, payors of interest will be required to implement withholding; if the compliance level for dividends does not increase from 82 percent to 91 percent, payors of dividends will be required to implement withholding. GAO will conduct a study of the respective compliance levels and cost/benefit analysis of withholding.	Delay until July 1, 1987. Mandatory withholding on interest and dividends will commence on July 1, 1987, only if the 1985 compliance rate for individuals is not at least 95 percent as reported by GAO and only if both Houses of Congress approve the finding of the GAO report within 90 days.
Payors of interest and dividends will be required to use magnetic tape to report interest and dividends to the IRS. The Secretary of the Treasury can delay this requirement for small institutions facing undue hardship.	Return format. Copies of 1099 information will be required to be matched with filed returns. Magnetic tape filing will be required with 1-year waiver authority for hardship.
Impose a no-fault penalty on payors of interest and dividends of $25 for each incorrect taxpayer identification number (TIN) reported to the IRS.	Stricter payor penalties. A negligence penalty will apply to payors who do not have a certified statement from account holder providing his TIN with increased penalties for gross negligence. A no-fault penalty will apply to payors who do not file an information return, with increased penalties if the payor fails to file a large percentage of information returns. A negligence penalty will apply to payors who do not impose backup withholding when required.
Payors of interest and dividends will be required to send their customers "official" 1099's that look like W-2's, instead of including the tax information on yearend statements.	Same as Boschwitz proposal.
Require individuals to list separately all interest and dividend income of their tax returns. (Currently, separate listing is required only if total interest and dividend income is over $400.).	Attach 1099's to the tax return.

GLENCOE MINN., *April 9, 1983.*

Senator RUDY BOSCHWITZ,
2317 Dirksen State Office Bldg., Washington, D.C.

DEAR SENATOR: Thank you very much for answering my form card. It was gratefully appreciated.

I heartily approve of your alternate plan, because I know that there are tax evaders.

My concern now was that I am fully retired now and what little interest I get I depend on to supplement my Social Security (which isn't all that great.)

When I sent in the card I did not know that I could sign a form so that the bank would not withhold taxes. Thanks to you, I am now fully informed.

Sincerely,

DORA M. LUKE.

WEST ST. PAUL, MINN., *April 18, 1983.*
Hon. RUDY BOSCHWITZ,
Senate Office Building, Washington, D.C.

DEAR SENATOR BOSCHWITZ: Thank you for your prompt response to my comments on interest and dividend withholding.

Also very much appreciate the enclosed information concerning this controversial subject. It gave me a much better insight into and a clearer understanding of the problem.

I still hope that continued effort will be made to seek a better solution which will eventually make with holding unnecessary.

Sincerely,

ROBERT O. SPRINGER.

ST. PAUL, MINN., *April 13, 1983.*
Hon. RUDY BOSCHWITZ,
U.S. Senator, S.H. 506, Hart Senate Office Bldg., Washington, D.C.

DEAR RUDY: I really appreciated your reply in regard to the withholding of income taxes on interest and dividends and your very informative brochure leading to the reasons for the passage of such legislation.

However, this legislation reminds me of the story about the school teacher that made the whole class stay after school because "Johnny" drew a nasty picture on the blackboard of the teacher and none of the class mates would squeal on Johnny.

In other words, in order to catch some of the culprits, all the rest must suffer the consequence.

But in the five points of your "P.S." you have some very strong arguments in my opinion and if you can convince enough of your fellow Senators perhaps you could repeal the other legislation and come up with something much better.

Time is running short, give it a go, Rudy.

Respectfully yours,

ROBERT C. MILLER.

● Mr. DODD. Mr. President, I intend to support the compromise proposal on withholding on interest and dividends worked out by the Senator from Kansas (Mr. DOLE) and the Senator from Wisconsin (Mr. KASTEN).

The debate on this issue has been protracted, vigorous, and, at times severe. At most points during the Senate's consideration of the issue, the two sides have seemed very far apart. That should not obscure—indeed, it may help explain—the fact that each side had considerable merit to its case.

The factors that convinced a majority of both houses of Congress to impose withholding last year, and the President to sign it into law, remain just as valid and compelling today.

Both then and now, the national economy confronts looming deficits that threaten to reach $200 billion annually. Those deficits in turn are likely to forestall recovery, keep interest rates high, make it more difficult for prospective home and automobile buyers to find credit, and squeeze small firms out of business. Some progress toward deficit reduction is possible through further economies in spending. But, the evidence seems conclusive, we will make substantial inroads into them only if we increase Federal revenues significantly as well.

At the same time, studies show that 11 percent of all interest goes unreported and untaxed, while for dividends the figure is even higher—15 percent. Over a 3-year period, that means the Federal Treasury is losing over $10 billion, a great percentage of which could be captured by withholding. There is an alternative to this collection of taxes already owned by Americans who are not paying them. The other option is to impose billions in new taxes on American citizens—most of whom already pay what the law requires. That simply does not make sense.

Nonetheless, it has become clear that millions of Americans believe the costs, inconveniences, and inequities of the withholding provisions out-weigh any potential benefit in deficit reduction. Those fears of excessive paperwork and attendant costs are felt with such obvious sincerity and depth that we cannot ignore them.

In short, there has always been the desire, throughout the discussion of withholding, to try to find a middle ground. We cannot allow taxes that are legitimately owed to go unpaid. We cannot permit concerns about bureaucratic overkill in their collection to go unaddressed.

Under the terms of the compromise proposal we will try to answer both issues.

It would postpone mandatory withholding until at least 1987 to give Congress time to further study compliance records under existing and new enforcement methods. Mandatory withholding would begin then only if compliance is less than 95 percent and if both Houses of Congress endorsed withholding by a majority of votes.

Withholding would be required of accounts of taxpayers who failed to file returns or who underreported interest and divided income in the previous year.

Also, the IRS would implement better procedures for matching interest and dividend income with information on existing returns.

Finally, substantially increased penalties would be applied to violators.

Mr. President, I believe this compromise is well worth adopting. It will not recover quite as much lost revenue as mandatory withholding but it will be a substantial improvement over the present situation. And it can be accomplished with a minimum of redtape and inconvenience to the vast majority of Americans who do report their incomes honestly and pay their taxes as required each year.●

● Mr. EAST. Mr. President, I am voting for this compromise measure because it is clear from the preceding vote on the Long amendment that the Senate will not repeal 10 percent withholding outright. I must say, however, that I believe in this case that we are doing less than what we ought for the American people.

As indicated by my vote on the Long amendment, I continue to believe that the 10 percent requirement should be repealed outright.

The message I have received from North Carolina is clear: The people want this provision repealed, and that is my position.

The compromise does much to achieve repeal and in some sense could be said to amount in effect to a repeal. If so, why not simply repeal the law and have done with it?

I am making this statement so there is no misunderstanding of my position in this matter and so that no attempt to misconstrue my vote will be made.●

Mr. DIXON. Mr. President, the amendment to S. 144 repealing the 10 percent interest and dividend withholding requirement has received considerable attention by the Senate. And so it should. For while I understand the justifiable desire of the Internal Revenue Service to eliminate the tax cheating that ends up increasing the tax burden of the ordinary taxpayer, I am convinced that the withholding requirement will do more harm than good, that it reduces incentives for saving while imposing unnecessary and burdensome administrative costs on financial institutions. The vast majority of American citizens pay all taxes due on a timely basis, and we should not penalize them for the actions of a minority. I am supporting the repeal effort, therefore, and will continue to do all I can to see that withholding does not go into effect on July 1.

As important as the withholding battle is, however, I do not believe it should be allowed to totally overshadow the important trade issues raised by S. 144, the International Trade and Investment Act. I am generally a supporter of free trade, and I believe our economy is best served by reducing trade barriers. But free trade must also be fair. The withholding battle is not the only battle now underway; we are engaged in a long-running battle for fair treatment in international markets, the outcome of which will be far more significant for the future health of the American economy.

I believe American business can compete successfully with any business anywhere in the world. I will match American labor against workers from any of our competitors. But American business and American labor cannot compete most effectively if foreign governments intervene to make their domestic businesses extracompetitive and to impose tariff and nontariff barriers to hamstring our businesses.

The American market is the most open in the world. However, I do not believe it can remain so, if our foreign competitors do not reduce their bar-

riers to our imports. Reduction of trade barriers must be mutual if the conditions of international trade are to be fair and equitable. Trade barriers to U.S. exports hurt our businesses twice, first by denying them access on reasonable terms to overseas markets, and second—and this is a direct consequence of the first—by impairing their productivity and efficiency so they are less effective competitors in domestic U.S. markets.

There was a time when trade barriers were tolerable, when exports and our ability to export on a fair and equitable basis were not particularly important to the long-term health of the American economy. But that time has long since passed.

Exports now account for about 11.4 percent of our GNP. Our exports more than doubled during the decade of the 1970's. More importantly, 80 percent of the jobs created in the United States between 1977 and 1980 were related to international trade. More than 80 percent of all new manufacturing jobs depend on overseas sales.

But although American exports have increased rapidly, our imports have increased even more rapidly. Our balance of trade deficit was roughly $27 billion in 1981, almost $32 billion in 1982, and unfortunately looks as if it will be even higher in 1983.

The message is clear. Our competitors are winning. They are increasing their exports to us while limiting our exports to them. And the result is equally clear—more than 1 million jobs lost in the United States in the past 2 years.

The system of domestic subsidies and tariff and nontariff barriers to imports erected by our international competitors is a significant cause of our deteriorating trade position. It is a cause we can no longer afford to ignore.

I do not want to imply, Mr. President, that the U.S. Government has completely failed to address this issue in the past. The United States was the leader in setting up GATT—the General Agreement on Tariffs and Trade—in an attempt to reduce trade barriers. And GATT has had some success in reducing tariff barriers. Further, Congress has acted to give the President authority to retaliate against foreign unfair trade practices in section 301 of the Trade Act of 1974.

But these actions are not sufficient to provide a basis for truly free international trade. Moreover, they tend to put the United States in a posture of focusing on imports, and reacting to increases in imports while giving inadequate attention to the need to expand our exports, and to reduce foreign trade barriers to help accomplish that objective. We end up trying to protect our industries from foreign competition instead of making it possible for them to compete effectively overseas so that we can export American products and services instead of American jobs.

Mr. President, I congratulate the distinguished, Senator from Missouri (Senator DANFORTH) and his cosponsors for bringing this legislation to the Senate. His efforts help make it possible for the Congress to begin to address the trade crisis facing us today.

S. 144 helps to focus attention on some of the most serious trade policy questions now outstanding. It mandates specific negotiating objectives with respect to trade in services and high technology products. It requires annual reports on significant barriers to U.S. exports and on actions taken to eliminate those barriers. It gives the President more specific authority to retaliate against any products or industries from a country with unfair trade barriers, whether those products or industries were involved in the act retaliated against. And it gives the President the right to retaliate against restrictions on direct foreign investment by U.S. persons with implications for trade in goods and services.

I know the bill is far from perfect. It will not eliminate unfair foreign trade barriers or eliminate subsidies to our international competitors. But, as I stated before, the bill does help focus our attention on our real trade problems. And it puts the focus where it belongs: on improving our export performance by creating a "level playing field" for all participants.

I do not think that is asking too much. All we want is the same access to foreign markets that we provide them in the U.S. market. We should not be the only nation practicing free trade.

I do not want the United States to increase our import barriers, but I do want us to do whatever it takes to insure that our businesses can compete overseas, and that includes providing truly competitive financing via the Eximbank, reforming the Export Administration Act to eliminate the disincentives to export it contains, and it also includes providing any other economic incentive and, if necessary, taking any other actions, including retaliation, that might be necessary.

The stakes are too large. We simply must do everything we can to improve our export performances. Our foreign trading partners are acting. We cannot afford to fall behind.

Japan, Mr. President, is a good example of a country that has recognized the importance of trade and which has acted strongly to promote its exports. Unfortunately, the steps it has taken include subsidizing and providing government direction for important export industries, a pervasive system of barriers to foreign competition, and government monetary and investment policies designed to artificially reduce the price of Japanese exports.

The results of these policies have been impressive for them and devastating to us. Our trade deficit with Japan was a staggering $18 billion in 1983, and will probably exceed $20 billion this year. Japanese autos have increased their share of the U.S. market from 9.4 percent in 1974 to over 24 percent in 1983 while, through countless inspections, discriminatory safety standards, and a variety of other means has made it exceedingly difficult, if not impossible, for a U.S. car maker to successfully export to Japan.

In 1976, Japan held 3.7 percent of the U.S. market for computer-controlled machine tools. Through sophisticated promotion of its own machine tool industry and with a similar pattern of import barriers, it has increased its U.S. market share to 60 percent.

Here is a good illustration of how pervasive Japanese import barriers are:

An American firm decided to try to sell aluminum baseball bats in Japan. The Japanese Softball Association, however, would not permit the use of aluminum bats. After considerable time, expense and negotiation, Japan decided to permit softball to be played with aluminum bats, but only with bats made of an aluminum alloy used only by a Japanese manufacturer. Further negotiations solved this problem, but the total time involved exceeded 18 months.

However, Japan is not the only country that subsidizes its exports and imposes unfair trade barriers.

Mr. President, the European Economic Community barriers to our agricultural exports and their subsidies to their own agriculture exports provide another good example.

The EEC spent $1.2 billion in 1982 to subsidize grain exports, and has gone from being a wheat importer to the fourth largest wheat exporter. The EEC also provides large subsidies to its egg and dairy producers.

Moreover, these subsidies are in a form that provides maximum advantage to their agricultural exporters. The EEC pay their farmers a guaranteed price and then sell the products on the world market at a lower price. At last November's GATT meeting, The EEC refused to agree to phase out these subsidies.

The net effect of the subsidies, and import barriers by the EEC and others, has been an erosion of our preeminence as the leading agricultural exporter. In fact, our agricultural exports declined by over $4 billion in 1982 from their 1981 levels.

Mr. President, the examples in Japan and in Europe I have mentioned barely scratch the surface. Trade barriers, subsidies, and explicit govern-

ment policies to encourage exports are increasing at an exponential rate. Trade, in the past, has been an obscure subject. The jargon, like computer jargon, is often incomprehensive, and many people thought about trade issues like computers—as a mystery, impossible to understand, to be taken on faith—and therefore, dismissed them, except, perhaps, for cursing purposes.

There is a computer revolution now going on, though, and there is also a trade revolution underway. The consequences of the trade revolution may be just as profound, just as important to the future of the U.S. economy, as the computer revolution.

We are entering a new era. The world is increasingly interdependent and our trade policies must recognize that interdependence. U.S. businesses can no longer, if they ever could, think solely about the U.S. market. For businesses to succeed. they must think in terms of exporting and competing internationally.

The U.S. Government has a major role to play in insuring that international competition goes forward on a fair and equitable basis, that U.S. business is not forced into the ring blindfolded with one hand behind its back.

I support S. 144 because it recognizes that struggle. Its specific provisions are less important than the fact that it is before us at all. S. 144 tells us we have to comprehensively address our trade policy issues, that we have to accord them a much higher priority than we have in the past.

S. 144 will help reduce unfair trade barriers, it will help our businesses to compete overseas. It is not a complete solution: It is only one step among many which should be taken. But it is a step that needs to be taken and that must be taken.

● Mr. MATTINGLY. Mr. President, I am pleased to see Congress act in response to the American people in doing away with the 10-percent withholding tax on interest and dividend income. The legislation imposing the 10-percent withholding tax was unnecessary, unfair, and unwise. The American people realized this and, at long last, Congress has also and acted responsibily. Opposition to the 10-percent withholding tax on interest and dividends was an issue not invented by the American Bankers Association or any bank or thrift across the country, but was created and has its roots back to the working men and women. In other words, the withholding issue was a "people's" issue.

Last Congress, I cosponsored and supported efforts to prevent the 10-percent whithholding tax from being included in the Tax Equity and Fiscal Responsibility Act of 1982. After it was included in the legislation, I voted against the entire bill.

Earlier in the current Congress, I cosponsored legislation introduced by Senator KASTEN, S. 222, and introduced myself S. 334 to accomplish repeal of the 10-percent withholding tax. Since its enactment last year, I felt and continue to believe enactment of withholding was bad public policy. During the past month, under the withholding debate, I listed the reasons for opposing the 10-percent withholding on interest and dividend income. They are as follows:

First, withholding is not necessary to increase taxpayer compliance. A 1981 Internal Revenue Service study showed that if 1099 forms were matched with income tax returns by the IRS, taxpayer compliance would be increased to approximately 97 percent from its current 89 percent. Simply stated, it appears that where information matching is required, compliance approaches 100 percent.

Second, withholding is unfair. As I mentioned above, compliance in the area of interest and dividend income approaches close to 90 pecent. Therefore, the withholding tax will penalize the vast majority of honest taxpayers.

Third, withholding will be costly to savers, investors, institutions, and the Nation's economy. Withholding will discourage savings and investment. By removing savings that would otherwise remain invested, the yield on investments will be reduced as will be the incentive to save and invest.

Withholding will be costly to financial institutional and other payors of dividend and interest. Based on a survey of 250 commercial banks, savings and loan associations, and mutual savings accounts, the accounting firm of Peat, Marwick, Mitchell & Co. estimates that start-up costs will be in the range of $200,000 to $400,000 for each institution of that type. at a time when many of these institutions have been financially strained because of the economy, now is no time to add additional weight to their operating costs. Moreover, the banks will not absorb the cost associated with implementation of the withholding tax. It will only be passed on to the consumer in the form of higher service costs and possibly higher interest rates.

Finally, withholding is complicated and confusing. Regardless of what the proponents of withholding contend, the vast majority of savers and investors will be at a loss when trying to determine whether they fit in one of the pigeonhole exemptions or exclusions.

Mr. President, I think it is important to point out the importance of what took place between enactment of the 10-percent withholding tax and our action to do away with this law today. During that period of time, millions of Americans became involved in the democratic process. Millions of Americans contacted their elected officials in Washington to let them know of their displeasure and disgust with the 10-percent withholding tax. In response to the outcry, Congress responded to the demands of the citizenry. I hope the millions of Americans who wrote on the withholding issue will recognize the importance their voice played in the undoing of a bad law. I hope these individuals will also realize the potential effect they could have on the legislative process, specifically as Congress addresses the budget issue in the near future. Unless Congress comes to grips with its out-of-control spending habits, the now underway recovery will be aborted and the future of the American economy will be in jeopardy.

The American people let their representatives know of their opposition to withholding, and Congress responded. I hope likewise, the American people will let their representatives know that they are concerned with high deficits and persuade Congress to responsibly address this problem, preferably by reducing Government spending as opposed to the increasing of taxes.

Mr. President, again I am pleased Congress has seen the light and has struck down the 10-percent withholding tax on interest and dividend income.●

Mr. HELMS. Mr. President, I believe it important that the RECORD reflect the editorial reaction around the country to the efforts by the able Senator from Wisconsin (Mr. KASTEN) to repeal the withholding of taxes on interest and dividends.

Therefore, I ask unanimous consent that a number of editorials and other media comment be printed in the RECORD.

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

[From the Wall Street Journal, Apr. 21, 1983]

KASTEN SHOCKS KANSAS

You probably thought you'd never again see the likes of North Carolina State's last-second victory over the Phi Slama Jama boys from Houston in this year's NCAA finals. That stuff's nothing compared to the action on the floor of the U.S. Senate.

Yesterday's papers reported the forging of a "compromise" over a plan, created by Sen. Bob Dole of Kansas and supported by President Reagan, to impose a withholding tax on interest and dividends. What they've done, basically is agree to put this whacky scheme off till 1987. The man who defeated the tax was Sen. Bob Kasten, Republican of Wisconsin. Those are the dry basics of the rise and fall of the withholding tax. Allow us now to put this thing in its proper, heart-stopping perspective.

Bob Kasten is a freshman senator, for heaven's sake. Bob Dole's been in Washington for 23 years; he ran for the presidential nomination. Ronald Reagan is the president. So Kasten sees this errant withholding tax rolling loose, picks it up, blows by Jim Baker and Dave Stockman (big deal), races past the press table, which is throwing

things at him, leaves the floor about 15 feet from the hoop with the tax in one hand, survives a vicious elbow from Dole, and slam dunks the tax back down their throats. The kid can play.

Mr. Reagan went way out on a limb to support this tax; you know how many senators lined up to support him? Twenty-eight. Mr. Reagan has spent a lot of time with the Dole and Stockman tax team. Maybe it's time to rejoin the winners.

[From the Wall Street Journal, Thursday, Apr. 14, 1983]

MICKEY MOUSE TAXES

"We oppose the Carter proposals to impose withholding on dividend and interest income. They would serve as a disincentive to save and invest and create needless paperwork burdens for government, business, industry, and the private citizen. They would literally rob the saver of the benefits of interest compounding. . . ."

So said the Republican Party platform of 1980. But this part of the platform seems to have been conveniently forgotten in 1982 by the Reagan White House and such ardent Republican revenue-enhancers on Capitol Hill as Sen. Robert Dole. Panicked by their own deficit-mongering, they signed into law a $98 billion tax increase—in the midst of one of the worst recessions on record, yet—which included a measure that would allow government to grab its share of America's savings income at the source through the withholding device.

Now a full-fledged tax revolt against this Mickey Mouse tax is under way, led by Wisconsin Republican Sen. Kasten. Early next week Sen. Kasten hopes to force a vote on a measure to repeal the withholding bill, which otherwise would take effect July 1. An unholy alliance of House Democrats and the Senate Republican leadership, cheered on by the White House, has been trying to bottle up the Kasten amendment through a combination of parliamentary obstructionism and demagoguery about banks. (The big banks haven't opposed withholding; they can more easily bear the costs than their smaller rivals; indeed, several joined the lobby effort yesterday.) But it's clear that opposition to withholding is widespread and based on legitimate reasons, and Mr. Kasten deserves a fair vote.

Opposition to the Kasten amendment is so shrill partly because defeat of withholding would strike at the heart of the overall strategy now being pursued by the old-line taxers and spenders in Washington. Having lost on the big issue—individual income tax cuts—they are trying to nibble us to death with a whole series of Mickey Mouse taxes, of which interest and dividend withholding is only one. In the wings are new taxes on life insurance companies, corporate health plans, oil and gas, and even that old chestnut, the three-martini lunch. Jimmy Carter must be loving it.

At the same time the President's Office of Management and Budget is helping out by producing ever-higher deficit projections. Its latest exercise in deficit-mongering implies, among other things, that the decline in oil prices is a bad thing because it might result in lower tax revenue. Not only is this an economic absurdity—lower oil prices will benefit the economy, which in turn bodes well for government revenue—but it directly contradicts the President's own economic views. Maybe OMB thinks its fear tactics will put pressure on Congress to cut spending. So far, it has only encouraged Congress to raise taxes (and gut defense). Whose side is OMB on?

We can't believe all these Mickey Mouse taxes will get very far. The overwhelming public reaction to the withholding tax is a tip-off that the tax revolt also is alive and well. The people have grown wise to Washington's tricks. They know that new revenue for the politicians will simply be spent, not used to reduce deficits. That was made crystal clear this week when Sen. Domenici's Budget Committee tossed out even the President's modest spending cuts and voted more money for everything from rent subsidies to railroads.

As we have said before, withholding on dividends and interest is a bad idea. It not only throws up another disincentive for savings and investment, it imposes huge paperwork costs on banks and other institutions that ultimately will be paid by the saver. Serious economists doubt the government will gain more than it loses because of the effect on economic activity. And a number of states plan to add to these costs by "piggybacking" on the federal tax in order to raise some loot for themselves. New York, for example, wants to add three percent to the 10 percent that Washington would withhold from the money you manage to save and invest. If Washington starts imposing other taxes on innocent bystanders, the states will eagerly piggyback on those, too.

Sen. Dole, the chief defender of withholding, argues that it's the only way to catch the cheaters who don't report their interest and dividend income. In reality, it only transfers the cost of catching the cheaters to the private sector. Citizens by and large pay their taxes if they believe government is making effective and legitimate use of the proceeds. Punishment of the few for trying to take advantage of the many is a defensible enterprise; punishment of the many for the transgressions of the few only diminishes respect for government.

The congressional leadership should allow the repeal measures in both the Senate and the House an up-or-down vote. But we understand their reluctance to do so. If the withholding tax is repealed, it would bring a quick end to the seemingly endless parade of Mickey Mouse taxes that the politicians have been trying to foist on the people over the last year.

[From the New York Times, Apr. 12, 1983]

WITH THE BANKS, OFF THE BACK BENCHES

(By David Shribman)

WASHINGTON, April 8—Senator Bob Kasten, who has defied President Reagan and Congressional leaders on the issue of tax withholding by banks, is an unlikely rebel.

He is a former businessman whose ideas on the role of the Government in business mesh comfortably with those of the Republican majority in the Senate and the Reagan Administration. In the last month, however, the Wisconsin Republican has found himself in the eye of a verbal storm over a legislative provision requiring banks and other financial institutions to withhold 10 percent of interest and dividends earned on savings and investments.

Mr. Kasten, a relative newcomer to the Senate but savvy in its ways, added an amendment to repeal the withholding provision to the $4.6-billion job bill that the Senate debated last month. Mr. Reagan vowed to veto the bill if it contained an amendment repealing the withholding provision, but Senator Kasten continued his battle, paralyzing the Senate for a week.

The debate on the provision, which is scheduled to go into effect July 1, is heating up again. Senate Republican leaders, exasperated by days of debate on the issue, persuaded Senator Kasten to withdraw his amendment to the job bill in exchange for assurances that the measure would be debated as part of a trade bill on April 15.

"NEVER A GOOD TIME"

The withholding provision was part of the $98.3 billion tax bill passed last summer, but the effort to repeal it did not get under way until the beginning of this year. Since then, it has generated perhaps the largest outpouring of constituent mail in the history of Congress, has placed Mr. Kasten on the front pages of newspapers and has given him unusual attention in the Senate, which operate under generations-old codes of seniority.

"It's always rough to go against the leadership," said Senator Nancy Landon Kassebaum, a Kansas Republican. "You're sort of on your own. There's never a good time to do something like this."

Mr. Kasten took on one of the Senate's most formidable figures, Senator Bob Dole, the Kansas Republican who has become almost evangelical in his opposition to Mr. Kasten's drive. For days Mr. Kasten and Mr. Dole, the chairman of the Senate Finance Committee, glowered at each other on the Republican side of the Senate chamber, one defending the effort to repeal the withholding provision, the other describing it as a symbol that the Senate was willing to "cave in to the bankers."

The spectacle catapulted Mr. Kasten out of the obscurity of the Senate's back benches. "He's held off the leadership and the Administration, and clearly is illustrating considerable legislative skill," said Senator Rudy Boschwitz, Republican of Minnesota.

"HE'S MADE A POINT"

Some of his colleagues believe, however, that the attention Mr. Kasten has won could turn out to be a mixed blessing. "It could diminish his influence, it could enhance his influence," said Senator Mark O. Hatfield, Republican of Oregon, as the Senate tried to wrangle out of Mr. Kasten's legislative knot. "The question is always when to let go or change your strategy. He's made a point. He's been identified with a popular issue, but he could quickly lose that attention by timing. That moment is at hand."

Mr. Kasten, who is 40 years old, is a Milwaukee native who was captain of the lacrosse team and president of his fraternity at the University of Arizona. He later took a master's degree in finance from the Columbia University School of Business and came to politics as a second career.

He was vice president of the Gilbert Shoe Manufacturing Company of Thiensville, Wis., and was, as he put it in an interview, "a small businessman who became angry" over Government interference. In two terms in the House of Representatives and his single term in the Senate, he has emphasized the importance of deregulation.

"There are too many regulators, too many regulations, too much of a regulatory process," he said. "If economic life were a football or baseball game, the Government ought to be the umpire or the referee in a game of competition and risk taking. But the Government has become the other team. Now, when we should be encouraging savings and investment, we find ourselves with new regulations on withholding for savings and investment."

Mr. Kasten, who narrowly defeated Senator Gaylord Nelson in 1980, accepted no

money in 1981 or 1982 from political action committees representing banking interests, but his uncle is a former president of the First Wisconsin Bank Corporation. He is something of an iconoclast in the Senate and has spoken often of his desire to limit terms of members of Congress to a dozen years, two six-year terms for Senators and six two-year terms for members of the House.

"We need turnover here," he said, "We shouldn't become a town and an institution of political people. We need educators, businessmen, lawyers and doctors, people from all different trades, coming here to serve. What I'm up against in this fight is the institution of the Senate: Can the work of a committee chairman and the Administration be overturned by average people who say, "This is a screwy idea'?"

Senator Kasten, who is single, lives on Capitol Hill. He is an avid skier and tennis player, enjoys hunting ducks and pheasants and finds time for occasional ice-boating on Cedar Lake in Wisconsin. He is, moreover, uncertain about how long he wishes to remain in the capital.

"If we don't change the Senate rules, you find yourself in a Catch-22," he said. "If you stay here you're able to make a difference and have the kind of influence that can help your state. I like this, but I would hope I wouldn't do this for the rest of my life."

[From the Wall Street Journal, Mar. 17, 1983]

TAX REVOLT

Efforts to repeal the dividend and interest withholding law due to take effect July 1 have been printed in the blackest terms by the chief proponent of the measure, Sen. Bob Dole. It's a conspiracy of those bad old banks. It's a conspiracy of all those rich folks. It's a conspiracy to torpedo the jobs bill, to which the repeal measure was attached.

But Sen. Dole's near-hysteria on the subject betrays him. What he really has on his hands is the tax revolt that got Ronald Reagan elected president instead of Bob Dole, and yesterday it showed its power in the Senate. Sen. Dole, the Kansas Republican who thinks that budgets are balanced by raising taxes, was steamrollered in his attempts to ditch repeal. The repeal effort was launched by fellow Republican Bob Kasten in what at first looked like a quixotic last stand but quickly took on the character of a grassroots crusade. His fellow senators took a hard look yesterday at the troops Sen. Kasten had mustered and beat a hasty retreat, defeating Mr. Dole by 10 votes. Bravo, Sen. Kasten.

All this leaves the White House between a rock and a hard place, and nobody can say it doesn't deserve it. The president allowed himself to be talked into supporting the jobs bill by advisers who are convinced that he needs to appear more "compassionate," as if creating phony jobs instead of real jobs is compassionate. The same advisers talked him into backing interest and dividend withholding, a truly silly revenue enhancer guaranteed to stir up the middle-income folks who voted for him.

Sen. Kasten had asked for an up-or-down vote on repeal of withholding, confident he could win. But the White House and Mr. Dole denied him that opportunity, so Mr. Kasten has attached repeal to the jobs bill. Now the president may have to veto the jobs bill in order to save withholding.

This is the kind of position you put yourself in when you trade away your principles for a mess of pottage. The only redeeming feature of this episode may be that Mr. Dole's embarrassment is likely to be even greater than the White House's. If the president had stood firm against the jobs bill, he would still be occupying the high ground. Economic recovery is under way and another federal spending boondoggle is the last thing we need.

The current jobs bill, like those before it, is little more than old-fashioned pork barrel. The $5.2 billion of speed-up spending was originally targeted on nine States with the highest unemployment after a few oinks it was expanded to 27 states. Some of the more egregious efforts to get more pork for the folks back home were turned back. But much of the spending in the bill still has little to do with creating jobs; most would go for construction and services on existing projects that require skilled labor.

Moreover, the bulk of the spending will come after the recession is over. A study of the House version of the bill by the Congressional Budget Office, which normally sympathizes with and finds ways to rationalize federal spending schemes, shows that only about $1.5 billion of the $5.2 billion would be spent in 1983. Some $2.3 billion would be spent in 1984, when both Democratic and Republican economists expect a boom in the economy, and the rest in future years.

And despite Sen. Dole's demagoguery about the banks, the movement to repeal the withholding tax on dividends and interest reflects popular anger, not just slick lobbying. Anybody who has been receiving those irritating forms in the mail lately—and who hasn't, since nearly everybody receives some interest or dividend income—will instantly understand why Mr. Dole & Co. have been deluged with letters of outrage. And to the extent the banks helped mobilize this sentiment, it was mostly the little banks; the big banks, which have lots of computer capacity, are perfectly content with a measure that increases costs for their competition.

The plain fact is that Congress is trying to shift the cost of collecting taxes on interest and dividend income from the public to the private sector, and at the same time grab off for the government some extra revenue. Banks and companies already report to the IRS dividends and interest they pay. But the IRS computers can't seem to track all those little pieces of paper, so the agency wants the banks and companies to do the job for it. In the process, the spenders in Congress would get a nice little chunk of change by having free use of the money for a year.

With yesterday's defeat of the Dole motion to deep-six the Kasten amendment, the impasse on the jobs bill continues. If a combined jobs withholding repeal measure eventually emerges from Congress, the president has threatened to veto it. He should. But then he should proclaim that the need for a jobs bill, if it ever existed, is past and that public reaction to the withholding act justifies a fair vote on the repeal measure. And the next time he needs some good political advice, he should invite Mr. Kasten in for a friendly chat instead of a public scolding.

[From the Milwaukee Journal, Tuesday, Mar. 22, 1983]

WHY INCLUDE THE HONEST?

(By Robert W. Kasten, Jr.)

The proposal to withhold on interest and dividends has kicked around Capitol Hill since 1941. Congress rejected the idea seven times before it was slipped into last summer's tax increase package. In the 42 years withholding has been debated, the inherent problems with the proposal have never been solved.

While many elderly and low-income Americans will not be required to comply with this new regulation, their exemption will not be automatic. It is up to them to find out if they qualify, to get hold of the exemption certificates—one for each account—and to file them.

If the exemption forms aren't filed on time, either because individuals didn't know they had to or because they were physically unable to do so, then 10 percent of all their interest and dividend income will be withheld. The result: people who need this income for everyday expenses (food, housing, medical care) will lose it.

Withholding will hurt the honest taxpayer. Instead of going after the small percentage of Americans who actually fail to pay their taxes on interest and dividends, the IRS wants to penalize law-abiding savers across the country. Treasury Department estimates show that nearly 90 percent of the people pay the taxes they owe on interest and dividend income. Instead of zeroing in on that small percentage of tax evaders, withholding means everyone must pay.

Those who have lost their jobs or have retired in the past few months would be caught in a Catch 22 situation. Money would be withheld from their accounts despite the fact that they have little or no income coming in this year, because the exemption is based on last year's taxable income.

Aside from the hassles and unfairness of this new tax scheme, withholding is also one of the worst things you can do when you are trying to get the economy moving again.

Taxes owed the government should be paid, but withholding is not the best way to accomplish this. Instead, why doesn't the government use the information it already has to crack down on tax evaders?

The IRS seems to prefer withholding because it's easier to have the banks do the work than to spend its own time and effort to crack down on tax evaders.

Withholding has become an issue of the people, and the pressure for repeal continues to grow. The American people deserve a vote in Congress on withholding soon.

[From the Christian Science Monitor, Mar. 16, 1983]

WITHHOLDING ON INTEREST

(By Robert W. Kasten, Jr.)

A grass-roots campaign to repeal the new 10 percent withholding tax on interest and dividends is now under way.

A veritable avalanche of mail has poured into Washington, and congressional mail clerks report more letters on withholding than on any other issue in recent memory. Withholding would affect millions of savers across the country, and the American people are angry and concerned. Their letters point out what Congress should have known all along: withholding will discourage savings and investment, penalize the honest taxpayer, and create an especially heavy burden on our nation's senior citizens.

U.S. government policy has been biased against savings for years. By the end of the Carter presidency, the American people were saving less than any other people in the Western world. In the second half of the '70's, only 2.5 percent of GNP went into

net investment for plant and equipment, down 40 percent from a decade earlier.

In 1980, we promised a change in policy, recognizing that savings and investment are the keys to economic growth. Many of our tax policies did change—the top tax rate on all income was reduced, a new IRA law was passed, and estate and gift tax exclusions were increased. The 10 percent withholding tax would be a step backward. Savers would lose the benefits of interest compounding and automatic dividend reinvestment—instead of having that money in their savings account all year working for them, it would be sent off to the federal government.

Withholding would hurt the honest taxpayer. The Treasury Department estimates that nearly 90 percent of the people pay the taxes due on their interest and dividend income. Ten percent do not. Instead of zeroing in on that small percentage of tax evaders, withholding means everyone must pay. The Treasury Department also estimates a fiscal year 1984 revenue gain of $5 billion from withholding. Only $3 billion of that comes from increased compliance—people paying taxes they should have been paying all along. The rest is, in reality, an interest-free loan from the American people to Uncle Sam. That's a loan the American people can ill-afford to make.

As a result, billions of dollars will be taken out of the private capital market and will no longer be available for home mortgage loans, capital formation, or job creation.

Older Americans will be hurt the most. Almost half of all interest and dividend earning accounts belong to the elderly, children, and those with low incomes. Even though these people may be exempt from withholding, this exemption is not automatic. It is up to them to find out if they qualify, to get hold of the exemption certificates—one for each account—and to file them.

If the exemption forms aren't filed on time, either because the individuals didn't know they had to or because they were physically unable to do so, then 10 percent of all their interest and dividend income will be withheld. The result: people who need this income for everyday expenses (food, housing, medical care) will lose it to the federal government. It isn't until they file a tax return in the following year that this money would be returned. In the meantime, losing 10 percent of their interest and dividend income each month could force a noticeable change in the quality of their lives.

The American Association of Retired Persons strongly opposed the withholding tax last summer because, as it argued, "we fear the exemption process will frequently fail to operate properly and a serious overwithholding problem will result." It also pointed out that, by placing the burden on the individual to exempt himself, withholding would force many elderly people into the taxpaying system who have not been required to file for years.

Those who have lost their jobs or have retired in the past few months would be caught in a Catch-22 situation. Money would be withheld from their accounts despite the fact that they have little or no income coming in this year, because the exemption is based on last year's taxable income.

The withholding debacle is a prime example of what can happen when the bureaucrats in our nation's capital are set loose. Withholding is bureaucratic overkill, pure and simple—the million-dollar solution to a two-bit problem. A recent IRS study shows that an improved information reporting system, together with the compliance reforms passed in last summer's tax bill, could increase taxpayer compliance to 97 percent. By requiring the IRS to cross-check 1099 forms with the amount of income declared on every tax return, we could improve compliance without confiscating 10 percent of the interest income in every savings account in the country. The IRS seems to prefer withholding because it's easier to have the banks do the work than to spend the time and effort necessary to crack down on tax evaders themselves.

There is still time to stop this new tax scheme before July 1, when it is scheduled to go into effect. I have introduced legislation to repeal withholding and replace it with improved information reporting, and the bill, S. 222, has already gained 47 Senate co-sponsors. The American people are demanding action. Congress should vote now to repeal the withholding tax scheme.

[From the Waukesha Freeman, Mar. 15, 1983]

A VICTORY FOR KASTEN

Wisconsin's Senator Robert Kasten has won his fight against the Senate's GOP leadership, a rare event and one that may have earned him his first bit of stature in Washington.

In exchange for dropping his now famous tax repeal amendment from a sensitive jobs bill, Kasten agreed to a compromise offered by Sen. Robert Dole, R-Kansas, that would allow the Senate to debate the tax repeal on April 15 and vote on it soon after.

Though the Kasten amendment has its critics, it also has wide public support. If it didn't, you can bet that Dole would have offered Kasten nothing but his back on this issue. The Senate Finance Committee chairman is not accustomed to being hijacked by junior senators.

Of course, Kasten ran a tremendous risk. Wisconsin and two dozen other states whose unemployment compensation funds were running on empty could have lost the Federal funds needed to continue payments to the jobless. That turned the showdown in the Senate into a war of nerves, and without the compromise it might have been risky for Kasten to show up in his home state while the unemployment rate continued to hover at 11.6 percent.

In fact, some cynics have pointed out that Kasten badly needed a victory because of his involvement in Oliver Plunketts' real estate affairs, still under investigation by state officials. Others have questioned the appropriateness of his opposition to a law designed to catch tax evaders when he has admitted that he twice failed to file state tax returns when he was a member of the House of Representatives.

But Kasten seemed to sense that he was riding a winner on this issue. He showed nerve and deserved his victory. Now comes the real test. In April he must make sure his amendment actually passes.

[From the Milwaukee Sentinel, Mar. 15, 1983]

REAGAN GOES ASTRAY IN WITHHOLDING FIGHT

An attempt by Sen. Robert W. Kasten Jr. (R-Wis.) to add to the $10 billion jobs-benefits bill a proposal to repeal the plan to withhold taxes from dividend and interest payments is turning that measure into a Christmas tree, says President Reagan.

That, in fact, is how such maneuvers have been characterized in the past. But the withholding provisions also resulted from a bit of ornament-hanging in which Reagan had a hand. It was deftly hung on a $98 billion tax increase package signed by the president last fall on the pretense that it would glean several billion dollars from tax cheats.

If Reagan is so averse to excess decoration on congressional bills, why didn't he veto that measure as he threatens to do with the jobs measure if it is passed with the withholding repealer?

In reality, what the administration wanted was to transfer the cash flow of income on savings and investments from private citizens to the government.

In a bit of demagogy usually characteristic of Democrats, Sen. Robert Dole (R-Kan.), who is Senate Finance Committee chairman, accused Kasten of wanting to "let the poor people who are now looking for jobs wait for the bankers."

In truth, any poor people who hope to get the minimal number of jobs that might be available through the $3.9 billion in the bill for that purpose will wait a long time for them anyway, if this program is anything like similar efforts in the past. Of more immediate concern is a provision in the stalled bill for $5 billion in federal loan funds for unemployment compensation.

But is it Kasten who is frustrating the will of the Senate or is it Dole and Reagan? An overwhelming Senate majority wants to vote on the withholding issue and the only thing stopping repeal is a stubborn minority backed by the president.

Without question, the financial institutions have marshaled a super lobbying campaign against the withholding provision, scheduled to go into effect July 1. They are not only protecting the interests of their customers but trying to avoid what they feel are burdensome administrative costs.

The people who are backing this drive, certainly, have as much compassion for "poor people" as the president and Dole. But it would seem that an administration that has placed so much emphasis on the importance of savings should have a little compassion for people with money in the bank, no matter what their income bracket.

[From the Milwaukee Sentinel, Mar. 3, 1983]

REAGAN SHOULD RETHINK SUPPORT FOR WITHHOLDING

A stubborn Senate Republican leadership finally gave in to an even more stubborn Sen. Robert W. Kasten Jr. (R-Wis.) Thursday, paving the way for passage of a $10 billion public jobs and unemployment compensation.

Kasten agreed to remove from the bill a controversial amendment which repeals a scheduled withholding tax on interest and dividends and the Senate unanimously agreed to hold a full hearing on the repealer April 15, with the blessing of the leadership.

Fortunately, Kasten did not have to resort to a ploy which would have attached the repealer to the Social Security reform bill.

Sidetracking the jobs bill because of a threatened presidential veto might not have irreparably harmed the nation's economic recovery. It might have helped. Indeed, Reagan doesn't like the shape it's in now. But dragging Social Security into the mess would have been a serious setback for a compromise won with broad bipartisan support.

Both sides now will marshal their arguments for the hearing on the withholding

proposal which never was properly aired before. And it might be a good idea if Reagan follows the debate closely. He got some bad advice on the issue in the first place.

The most important point he overlooked, as we have stated, is the discouraging factor that this proposal would have on savings and investments. And while repeal would save financial institutions the cost of administering the withholding program, this is not necessarily bad.

This is a time when some segments of the savings industry are still wobbly from the effects of the recession. It is not good national economic policy to add to their burden.

Indeed, savings institutions, along with other industries in recent years, had been looking to the government to extend them a helping hand. Reagan should take advantage of this rare opportunity to take the government's hand out of business, as he had promised in his election campaign.

[From the Wasau Radio, Inc., Mar. 18, 1983]

MATTER OF OPINION

Three cheers for Senator Robert Kasten. He's been in Washington only a short time and has learned his political lessons well. By attaching his amendment to repeal the 10 percent interest and dividend law to the jobs bill legislation he's beating the old line politicians at their own game. What do our elected officials do when they want to pass a "pay raise" for themselves? They quietly attach it to a popular piece of legislation that's sure to pass and they have a raise without a lot of publicity and, they hope, debate. Senator Kasten is reversing the process. The 10 percent interest and dividend law is very unpopular with a lot of people and deserves to be repealed. So, he's attached it to the ever popular, sure to pass, jobs bill. Now, Senator Dole of Kansas and some other Senators are suggesting Kasten is responsible for holding up passage of the jobs bill with his amendment. Horsefeathers! Both the jobs bill and repeal rider deserve to be passed . . . and we hope, soon. Congratulations to Senator Kasten for having the "backbone" to author this repeal legislation and to have the courage to play the political gamesmanship in getting it passed. This has been a matter of opinion.

[From the Sheboygan (Wis.) Press, Mar. 14, 1983]

CONGRESSIONAL MANEUVERS

The current standoff between the jobs bill and repeal of the 10 percent withholding on savings accounts is a classic example of congressional leadership attempting to frustrate the will of the majority.

The popular jobs bill, which provides loans to states for their unemployment compensation funds, was sailing smoothly through Congress. Funding for the jobs portion of the original House version was reduced slightly in the Senate, but there was no doubt that it would be approved and differences ironed out by a conference committee.

Then on Thursday, Sen. Robert Kasten, R-Wis., offered an amendment to the bill which would repeal the 10 percent withholding on savings accounts due to begin July 1. That's an old congressional trick of attaching amendments on unrelated matters to bills which are so important that Congress has little choice but to approve them.

The Senate Republican leadership, however, is opposed to repeal of the scheduled withholding. Yet, it knew that Kasten's amendment would be accepted by the Senate so it prevented a vote on the motion. That's another parliamentary trick frequently used.

A third device, a Senate filibuster, was threatened by Sen. Robert Dole, R-Kan., if Kasten refused to withdraw his motion to repeal the withholding tax.

Dole's attitude was, "Let the poor people wait while we take care of the bankers (who favor repeal) on the Senate floor." That procedure ignores the fact that even poor people have savings accounts and that current provisions for reporting interest to the IRS exempt interest on certificates of deposit over $100,000 and U.S. Treasury bills.

Kasten's position may hardly be faulted. He has agreed to withdraw his amendment if the Senate leadership will promise to allow a separate vote on the matter of repealing the planned withholding so that it may stand on its own merits. That offer has been refused.

The merits of Kasten's position on withholding have been well debated and have drawn the support of such Senate luminaries as Goldwater, Long and Stennis, yet the Republican leadership is able to stall a vote. It has been estimated, in fact, that 70 percent of the senators favor the withholding repeal.

Lacking agreement to let the repeal stand on its merits, Kasten is entitled to continue his stand on the proposed amendment.

[From the Hudson (Wis.) Star-Observer]

WRITING CONGRESS PRODUCES RESULTS

Who says writing your congressman and U.S. Senator doesn't produce results? Indications are that a massive mailing to our legislators in the nation's capitol have persuaded a number of them to support a repeal of the 10 percent withholding tax on interest and dividends scheduled to take effect July 1. As mailings keep coming in—in record volume—legislators are pressured into carefully considering the matter, and once they do that, they probably will support this measure because the people, urged on by the banks, are absolutely right.

U.S. Senator Robert Kasten on Feb. 2 reported his bill seeking repeal of the 10 percent withholding tax was picking up additional support fast. There were 28 cosponsors of the bill, 15 Republicans and 13 Democrats, and nine of the cosponsoring Senators had switched their position. Explained Kasten, "I'm sure these Senators are reacting to their mail. My office alone is receiving about 10,000 pieces of mail a week calling for a repeal." He said he normally receives about 2,000 pieces of mail when in session and this mail ordinarily would reflect a number of different issues.

Senator Rudy Boschwitz is fast becoming known for his innovative thinking and Rudy, while supporting the repeal concept, on Feb. 26 introduced a variation of the plan. Boschwitz proposed a five-year repeal of the controversial 10 percent withholding tax on interest and dividend income. The plan, which was unveiled at a Minneapolis press conference, calls for the withholding tax replaced by a system requiring banks and other financial institutions to report interest and dividend income to the Internal Revenue Service on computerized tape. Banks are currently required to report interest and dividends to the IRS but a Boschwitz aide said the computer tape records would present the information more accurately and allow the government to collect more taxes without withholding.

Boschwitz said he developed the plan after receiving more than 100,000 pieces of mail since January, sometimes as many as 3,000 cards and letters a day, protesting the withholding tax. The Minnesota Senator said he usually gets 600 to 800 letters a day.

Third district congressman Steve Gunderson received 10,000 letters and other communications from his district constituents urging repeal of the withholding law. This volume of mail set a record for his office. Said Gunderson, "Since coming to Congress three years ago, this is the most massive outpouring of views on one issue I have ever seen." Gunderson said he would introduce legislation to repeal the tax and replace it with other measures raising the same revenue over the next six years.

The moral of the story folks is to keep those cards and letters coming in. Congressmen and Senators are feeling the pressure and they are reacting accordingly.

[From the Jamesville (Wis.) Gazette, Mar. 16, 1983]

KASTEN'S FAST TRACK

Freshman senators are like underclassmen everywhere. Enhancement of their influence is dependent upon a combination of luck and wit.

A fortuitous combination of both has vaulted Sen. Robert Kasten into the limelight. Suddenly, he has become a force for the federal establishment to deal with.

Kasten, a foe of the 10 percent withholding tax on interest and dividends utilized his senator's privilege to tack an amendment the administration doesn't want on a piece of legislation the administration does want.

Kasten's amendment would repeal the interest and dividend withholding provision of the tax law. Administration opposition to a similar bill has been spearheaded by Sen. Robert Dole, Senate Finance Committee chairman, who developed the withholding plan.

The greatest inundation of mail in the national capital's recent history is attributed to protests against the withholding provision scheduled for July.

The Kasten amendment poises him on the leading edge of this national constituency. Kasten recognizes the advantage of such instant good fortune and has been able to say that he is not concerned about possible presidential reprisal, that he is carrying on in the tradition of independence that has been typical of Wisconsin senators since the time of Robert M. LaFollette Sr.

Some senators take years to make it on the Washington scene. Kasten's stroke of good fortune is the kind that politicians dream of and hope for. It's fast-track politics for Wisconsin's junior senator who has set a pace that is probably surprising even to himself.

[From the Clintonville (Wis.) Tribune-Gazette, Mar. 17, 1983]

DIFFERENCE WITH A DIFFERENCE

Just being different isn't necessarily virtuous, but Wisconsin's senator Bob Kasten is being different these days consciously and with good reason. He has taken on the Republican power structure, a different sort of behavior pattern for a freshman in the U.S. Senate, especially one on the majority side.

Kasten is perhaps a bit self-conscious when he says he aspires to be different because most of Wisconsin's better-known senators have been somewhat maverick. It takes more than one issue to make a maver-

ick and Bob Kasten doesn't sound like the kind of man who is going to get out of line very often. In the present instance, however, he is impressive.

Kasten, along with a majority of the senate, doesn't like the mandatory withholding of a percentage of interest payments from money due bank depositors, stockholders whose investments pay dividends, or insurance policy owners who get periodic earnings on their policies. That controversial innovation was slipped in when the administration introduced a new tax law last year and the nation is now realizing a mistake was made.

However, the administration, with close cooperation from senate leadership, likes the idea and is stubbornly maintaining it will be useful in collecting taxes from some people who might not remember to include all their interest earnings when they make out their income tax reports. The senate leadership is adamant in refusing to let the senate vote on whether the interest withholding provision should be kept or discarded and that intransigence has a majority of the senate hopping mad.

Kasten did something about it. Reasoning that if the leadership wouldn't permit a direct vote on the withholding issue, it would have to be brought to the senate's consideration as part of another measure which is assured a vote. He hung it on the so-called "jobs bill," a pork barrel showpiece that isn't going to create as many jobs as it is undue accolades from those who think the federal government "has to do something" about creating work.

Politicians from both parties want to look like they're doing something so the jobs bill is a perfect carriage for Kasten's amendment. It may not turn out that way because so many senators are trying to slip a little local preference into the jobs measure that it may end up meriting a veto with or without the withholding ban. That's another story.

What is important is that Kasten has very cleverly embarrassed the leadership of his own party on an issue that he sees as a matter of principle. He's not unwilling to compromise either. If the leadership will guarantee him a vote on the withholding ban by itself in a matter of days, he'll unhook it from the jobs measure. Confident he can win the vote, he is standing toe-to-toe with some very powerful politicians.

Right now we're applauding Bob Kasten. His stand is correct and he should hold his ground. If that's being different, it's the kind of difference that deserves support.

[From the Waukesha (Wis.) Freeman, Mar. 8, 1983]

NEW TAX IS A BAD IDEA

It's not often that Sen. Robert Kasten, R-Wis., and Rep. Robert Kastenmeier of the state's second Congressional District agree on a piece of legislation. Despite the similarity of their names, the two could not be more dissimilar in outlook. Indeed, it could be said that between them they embrace most of the political spectrum from right to left.

So it pays to take a second look when both support an effort to repeal a law which, after July 1, would require a 10 percent withholding tax on interest and dividends.

Are the Congressmen right in opposing the new withholding tax? In our view, the answer is yes. Despite what we think are some self-serving arguments by the U.S. League of Savings Institutions and other industry lobby groups, the law that was originally passed as a quiet amendment to the Tax Equity and Fiscal Responsibility Act of 1982 is fatally flawed and ought to be repealed.

Despite some critics' claims to the contrary, it is true that this bill would have the greatest impact on the elderly. Almost 90 percent of the country's senior citizens receive income in the form of interest or dividends and many of them rely on that regular monthly cash for subsistence. It may be true that most would be eligible for full returns of the withheld tax, but why should the government be able to borrow 10 percent of their monthly income only to return it, without interest, at the end of the tax year?

If Rep. Kastenmeier's bill (H.R. 500) is passed, there will be a way to get to the heart of the problem that led to the new tax law in the first place.

Like Jimmy Carter before him, President Reagan has expressed the worry that too many people have avoided compliance with tax laws by failing to report unearned income, perhaps costing the national treasury as much as $4 billion a year. But an Internal Revenue Service study of tax compliance in 1981 showed that 97.3 percent of all taxpayers fully reported their income from interest and dividends when the IRS had Form 1099 reports (similar to W-2 forms used by wage earners).

Kastenmeier's bill would repeal the 10 percent withholding requirement but make Form 1099 reports mandatory, thus reducing the opportunities for tax cheaters to a minimum.

It is always worthwhile to trap the cheaters, but in this case the "medicine" would so outstrip the illness in its side effects that it would be better not to take it at all.

[From the Washington Times, Apr. 14, 1983]

THE KASTEN AMENDMENT—YUP

Let's be done with it, this fractious fuss over dividend and interest withholding. And the best way to have done with it, before more valuable time and congressional passion is burned up, is to repeal the withholding provision.

Proponents of the 10-percent withholding tax that is to click in come July argue fervently that it will provide a vital source of revenue to help offset the federal deficit, and will nail those dastards who don't report fully (or at all) dividend and interest income and thus throw an added tax burden on the rest of us.

Sen. Robert Dole, chairman of the Senate Finance Committee, is busting his buttons to sustain the withholding, a centerpiece of the 1982 Tax Equity and Fiscal Responsibility Act. His pride in the withholding provision, which swells alarmingly by the week, is intriguing inasmuch as Dole was pledging eternal enmity to the ideas as recently as 1980.

Opponents of withholding, with Sen. Robert Kasten, R-Wis., leading an energetic charge up Capitol Hill, contend with equal intensity that the provision will cost more to crank up than the additional revenue collection can justify—which additional revenues are over-stated anyway, and that the procedure is superfluous and a disincentive to savings.

Each side instantly trundles out figures that conclusively prove its assertions and rebut the other's. Each has made a crusade out of the issue. Dole in particular has leaped on his white charger and leveled his lance at the bankers, arguing with unusual asperity that they're villains and varlets and perhaps worse.

However, those who support Kasten say they have the votes in the Senate for repeal, and sentiment in the House has swayed increasingly in that direction. There will be an intricate parliamentary dance in the Senate, probably beginning later this week, that should lead to a vote by midweek next.

There remains, though, a delicate problem. President Reagan has loudly beat the drum in support of withholding, for reasons which quite escape us. He vowed great oaths he'd veto the Social Security or the jobs bill if either got to the other end of Pennsylvania Avenue with the Kasten amendment tacked thereto. He did not, however, vow to veto any other bill that might come equipped with the Kasten shirt-tail, and a number of GOP senators are trying to find a graceful way for the president to accept repeal without appearing to be in headlong retreat.

Despite the exaggerations of both proponents and opponents, we think the argument for the Kasten amendment and repeal tilts the scales. If the IRS has the capacity to cross-check tax returns and dividend-interest reports to corral up to 97 percent of the taxes owed on those income categories once Congress appropriates the dollars to accomplish that by computer, then why go through this stumble, fumble and grumble process of withholding?

The 10 percent deduction will constitute at least a marginal disincentive to save, and even marginal disincentives in an economy pulling itself out of recession are unhelpful.

That's our verdict—and we're tired of the hyperbole in which the debate has largely been couched, Enough, we say—repeal.

[From the Abbotsford (Wis.) Tribune-Phonograph, Mar. 16, 1983]

EDITORIAL—BANKING'S BOB

Wisconsin Senator Robert Kasten has received loads of publicity along with threats from the Republican leadership in the Senate and pushes from the White House for his attaching an amendment to the new jobs bill in the Senate that would repeal the 10 percent withholding tax on savings and dividends which is slated to take effect July 1.

First the Republicans tried to pressure Senator Kasten to remove his amendment so that federal funding for state unemployment could pass to keep unemployment payments coming this week. Strangely, instead of voting on the sole issue of more federal unemployment funds, this was also an amendment attached to the jobs bill by Majority Leader Robert Dole of Kansas, the same Senator that was attempting to pressure Senator Kasten to pull the withholding amendment. If Senator Dole's amendment belongs on the jobs bill so does Senator Kasten's.

Fortunately our state Senator didn't back down and the White House magically found funds in some drawer to keep unemployment funds paid through this week.

Today it looks as if the Republican leadership will negotiate with Senator Kasten and promise a vote at a different time if he will remove his amendment from the jobs bill. Even though the Senator has said that he would remove the amendment if he got a Separate vote last week, let's hope he has a change of heart and keeps this amendment on the jobs bill. He must have the votes to get this previous piece of poor legislation

killed or Senator Dole, a backer of the withholding law, wouldn't be working so hard to get around Senator Kasten's amendment. Stick with him Bob, you've got him on the run.

Is the withholding law poor legislation? Basically yes. Not because it might spot a few who cheat on their income tax returns, but because it penalizes about 95 percent of the people of this nation to catch five percent which is poor legislation.

In truth, the withholding is only another bailout out of the Federal government. Part of the same law that demands withholding also requires form 1099 on interest and dividends, along with some interest payments that were previously exempt. This portion of the law should solve all of the problems of hiding interest received by any individual who would cheat.

If the Internal Revenue Service has the right computer equipment it is only a matter of computer time and programs to match the 1099 with the individual's tax return to determine proper filing. This new withholding law practically admits that IRS doesn't have the capability to check tax returns with the forms that the government requires business and employers to file so instead of making sure that the Internal Revenue laws work fairly for everyone by computerizing the verification of all tax returns, the government penalizes everyone to get its money first and let you prove yourself to get it back. A complete mockery of the law, saying you are guilty until you prove yourself innocent.

The result is that the government will deny the saver the ability to receive full interest on his or her savings by taking of the interest in the same manner as they withhold FICA and Social Security from one's paycheck. Thus the saver is denied the ability to receive the compound interest on 10 percent of the interest, not a major amount of money to be sure, but it's like the justice system in this country penalizing the victims while letting the criminal go free.

The ability to withhold from each paycheck was passed as an emergency measure during World War II. They take their money every payday or every quarter depending if you are salaried or self-employed, while your tax liability and report really isn't due until April 15, the year after you make the money. Of course if they didn't take their money every payday they wouldn't be able to operate the government and this savings withholding bomb is just more of the same old policy of get the money in so we can spend it.

Banking experts estimate that the public will lose $1.5 billion that would be earned nationwide on this 10 percent withholding. Not only that, the capital markets will be dried up by the same amount, because if the money isn't in the bank they can't loan it for new cars or homes or for whatever purpose one needs a loan.

It is possible that this $1.5 billion might not affect the loan picture on the national scale, if the federal government doesn't need to run to the banks because of the deficit spending, but it's almost too much to hope for because every politician in Washington is working on a new budget which spends hundreds of billions more than the government takes in and smiles right into the TV cameras and tell you what a good job they are doing.

Thousands of letters have flooded our nation's capital against the withholding law, but a few Congressional leaders have kept this from coming up for a vote. Let's encourage Senator Kasten to stick to his position and make sure that this bad law gets repealed.

VOTE ON AMENDMENT NO. 1180

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas, amendment No. 1180. 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 Tennessee (Mr. BAKER) and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from Colorado (Mr. HART) are necessarily absent.

The PRESIDING OFFICER (Mr. PRESSLER). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 91, nays 5, as follows:

[Rollcall Vote No. 62 Leg.]

YEAS—91

Abdnor	Gorton	Nickles
Andrews	Grassley	Nunn
Armstrong	Hatch	Packwood
Baucus	Hatfield	Pell
Bentsen	Hawkins	Percy
Biden	Hecht	Pressler
Bingaman	Heflin	Proxmire
Boren	Heinz	Pryor
Boschwitz	Helms	Quayle
Bradley	Hollings	Randolph
Bumpers	Huddleston	Riegle
Burdick	Humphrey	Roth
Byrd	Inouye	Rudman
Chafee	Jackson	Sarbanes
Chiles	Jepsen	Sasser
Cochran	Johnston	Simpson
Cohen	Kassebaum	Specter
D'Amato	Kasten	Stafford
DeConcini	Laxalt	Stennis
Denton	Leahy	Stevens
Dixon	Levin	Symms
Dodd	Long	Thurmond
Dole	Lugar	Tower
Domenici	Mathias	Trible
Durenberger	Matsunaga	Tsongas
Eagleton	Mattingly	Wallop
East	McClure	Warner
Exon	Melcher	Wilson
Ford	Mitchell	Zorinsky
Garn	Moynihan	
Goldwater	Murkowski	

NAYS—5

Cranston	Kennedy	Metzenbaum
Danforth	Lautenberg	

NOT VOTING—4

Baker	Hart
Glenn	Weicker

So the amendment (No. 1180) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. BOSCHWITZ. Mr. President, I congratulate the distinguished Senator from Kansas, the chairman of the Finance Committee, and the distinguished junior Senator from Wisconsin on being able to work out this whole matter in such a satisfactory manner.

It seemed for a while that this matter could not be worked out, and it seemed to be tying up the Senate. But the spirit of comity and compromise they both showed is a credit to themselves and to the Senate as a whole.

So I congratulate them, and I look forward to having this compromise work as it is supposed to work, so that withholding will not take place.

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

Mr. BOSCHWITZ. I yield.

Mr. DOLE. Mr. President, I thank the distinguished Senator from Minnesota.

I wish to indicate, as I did yesterday in the RECORD, that many portions of the compromise were suggestions made by the Senator from Minnesota.

As a result, I believe the Senator from Minnesota was the first Member of this body to contact me with reference to trying to figure out some way to work our way out of this problem. I can say in all candor that some of those suggestions were adopted in the compromise. I appreciate the efforts by the Senator from Minnesota.

Mr. BOSCHWITZ. I thank the Senator.

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

Mr. BOSCHWITZ. I yield.

Mr. KASTEN. Mr. President, I also thank and congratulate the Senator from Minnesota for his work on this compromise.

Many of the elements and ideas contained in it are taken directly from the work of the Senator from Minnesota. We would not have been able to reach this compromise without his help and support. I thank him and congratulate him for his efforts in reaching a compromise and his efforts in opposition to withholding.

Mr. BOSCHWITZ. I thank the Senator from Wisconsin.

I have noted that the compromise bore a very keen resemblance to S. 791, which I introduced on March 11. I appreciate the cooperation of the Senator from Wisconsin and the Senator from Kansas.

AMENDMENT NO. 1179

The PRESIDING OFFICER. The question occurs on amendment No. 1179, as amended.

Mr. STEVENS. Mr. President, has a motion to table been made?

The PRESIDING OFFICER. It has been made and agreed to.

Mr. STEVENS. Mr. President, I should like to make sure that Members understand——

Mr. BYRD. Mr. President, may we have order in the Senate so that we can hear what the acting majority leader is about to propose?

The PRESIDING OFFICER. The Senate will be in order.

Mr. STEVENS. Mr. President, it will be my intention to allow Senators to

make motions to vitiate the orders for the yeas and nays which have been ordered on the two pending matters that still apply to the withholding. But it is my purpose in seeking the floor now to remind Senators that the bill itself, the reciprocity trade bill will have amendments offered to it. We know of at least two amendments that will be considered. It is our hope that we can finish the bill tonight, if possible.

If we can finish this bill this evening, the Senate will not be in session tomorrow.

Mr. KASTEN. Mr. President, a parliamentary inquiry. Have the yeas and nays been ordered on the Kasten first-degree amendment?

The PRESIDING OFFICER. They have not.

The question is on agreeing to the amendment.

The amendment (No. 1179), as amended, was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

MOTION TO RECOMMIT

The PRESIDING OFFICER. The question is on agreeing to the motion to recommit, with instructions.

Mr. DOLE. Mr. President, have the yeas and nays been ordered on that motion?

The PRESIDING OFFICER. They have been ordered.

Mr. DOLE. I ask unanimous consent that the order for the yeas and nays be vitiated.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the motion to recommit.

The motion was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, on behalf of the Committee on Finance, I report to the Senate S. 144, as instructed.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 144) to ensure the continued expansion of reciprocal market opportunities in trade, trade in services, and investment for the United States, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Finance, with amendments.

(The committee amendments appear in the RECORD of March 17, 1983, at pages S3238 to S3241. The text of the remaining amendment, as amended, as agreed to today appears in the RECORD of yesterday, Apr. 20, 1983.)

Mr. DOLE. Mr. President, I am happy to yield to the Senator from Alaska.

Mr. STEVENS. I thank the Senator from Kansas.

Mr. President, I wish to explore at this time whether it is possible now to get an agreement on the amendments that may be offered to this bill.

It is my understanding that the Senator from Pennsylvania has an amendment and the Senator from South Dakota has an amendment.

May I inquire, are there any other amendments to be offered to this bill?

Mr. LEVIN. I have a brief statement, not an amendment.

Mr. STEVENS. I thank the Senator from Michigan.

Mr. BYRD. Mr. President, will the Senator from Kansas yield?

Mr. DOLE. I am happy to yield.

Mr. BYRD. Let me respond.

We are checking now to see if there are any amendments on this side. I am told that there may be one by Senator LONG.

Mr. STEVENS. Mr. President, will the Senator from Kansas yield to me again?

Mr. DOLE. I yield.

Mr. STEVENS. Mr. President, in order to gain a little more certainty regarding the Senator's schedule, I wish to try a unanimous-consent request.

I ask unanimous consent that the pending measure not be opened to any amendments pertaining to withholding, only amendments pertaining to other portions of the bill as reported now by the committee.

Mr. BYRD. Mr. President, I reserve the right to object.

Mr. STEVENS. Mr. President, I revise that and ask unanimous consent that there be no amendments offered to the pending measure that pertain to withholding.

Mr. BYRD. Mr. President, reserving the right to object, I personally do not object. We have been up this hill and we have been down. We have had votes. I think everyone in the Senate is recorded a half-dozen times on this matter. I am not so sure that I would support any further effort on this bill because we had our chance and we have had our votes and we made a valiant effort to repeal the tax and we failed.

So I am not so sure I would personally vote for any further efforts on this bill. I might on another bill. But I am in no position to agree to the request at the moment. There is one Senator who might wish to object. At this point, any Senator in the Chamber may object if he wishes.

Will the Senator just withhold?

Mr. STEVENS. All right.

Mr. BUMPERS. Mr. President, I object in order to get the show on the road so we find out on this side.

Mr. STEVENS. All right. I will renew the request later.

Mr. DOLE. Mr. President, I thank all Senators, the Senator from Wisconsin, the distinguished Senator from Louisiana, and other Senators who have been directly involved in this effort with reference to withholding.

Again I wish the record to reflect that notwithstanding the fact that this Senator still prefers withholding at the source, that option in my view, was not possible. But I should also wish to stress again before turning over the management of the remainder of the bill to the distinguished Senator from Missouri that if in fact this compromise on withholding, or something similar or something close that raises the same revenue, is adopted by the House of Representatives we still will have about $12.5 billion in revenue from withholding and the improved information reporting which was included in last year's TEFRA tax reform legislation. That is about $5 billion less than we would have had had we retained withholding at the source on interest and dividend income.

The validity of these estimates will depend, obviously, as it has in the past, on reestimates by Treasury, by the Joint Tax Committee and others who deal in the numbers game. It will also depend on whether or not we are now willing to appropriate additional sums for the IRS to carry out the provisions of the compromise.

I find strong support for that. I think we will have strong support for that.

I support the compromise. I did not support Senator LONG's amendment, obviously. I still believe that simple withholding is the best way to approach this problem. But I am pleased we have had a rather overwhelming indication by Members on both sides that we are concerned about people who do not pay their taxes and that we are hopeful that with this compromise the Senate has indicated that we do believe that people should pay their taxes. We may not agree on withholding, but I find broad agreement on the principle that if it takes backup withholding, as we have, if it takes increased penalties, as we have, then the Senate by a vote of 91 to 5 is on record in support of improving tax compliance.

But I just do not understand, and never have understood, the argument for flat-out repeal. I still believe that when the Finance Committee gets their mandate from Congress this year, we are going to have to go back and take another look at tax compliance.

This Senator does not want to surrender the third year of the tax cut, does not want to surrender indexing, and I am going to be less than con-

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vinced if I hear some of the rhetoric from the so-called tax reformers in this body from now on, because we have just blown one opportunity for what I consider tax reform, or tax compliance reform.

But in any event, that battle has been fought. It will now be up to the House of Representatives to take whatever action they deem appropriate. Again I wish in closing to thank those Senators, Senator BOSCHWITZ, Senator COHEN, and others, who have made certain recommendations. But I also wish to pay thanks to a group of Kansas constituents, in this case small bankers and savings and loan executives who met with me one evening for a couple of hours. At that time I said, OK, if you do not like withholding, what do you suggest we do to raise the revenue?

And I will say to their credit they gave me that evening, and gave to my staff the next day, 10 specific recommendations. Many of the recommendations made by the bankers themselves and the savings and loan representatives are now in the compromise.

So I wish to make the record clear that even though I have been less than charitable toward the ABA and its staff, I think for the most part members of the banking and S&L community in our States have been willing to be responsible. There were specific recommendations that were made to my staff and to me following a 2½-hour discussion with a group of Kansas bankers and S&L representatives that indicated that at the grass roots level there was a willingness to try to work it out. This was so notwithstanding the massive lobbying campaign of deception and distortion carried on at the staff level in Washington.

I ask unanimous consent to include in the record a list of the bankers and S&L executive, who were present at our Topeka, Kans. meeting on March 30, 1983, and others who were not present but subsequently played a significant role in drafting the Dole compromise.

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

KANSAS BANKERS AND S&L EXECUTIVES WHO PLAYED A SIGNIFICANT ROLE IN DRAFTING THE DOLE COMPROMISE ON WITHHOLDING

BANKERS

Gerald Shadwick; John Sullivan, Tom Clevenger; Emery Fager; John McNay; Andy Chandler; Dave Owen; Joe Jackson; Bill Oakes; and Harold Stones.

S&L EXECUTIVES

Joe Morris; Jack Dicus; Arky Vaughn; Tom Monk; Ken Brasted; Dave Hanna; Jim Scaletty; and Jim Turner.

Mr. DOLE. So again I appreciate the spirit of cooperation that we have had in this Chamber, and I have no regrets. Again I wish to thank the distinguished Senator from Wisconsin, Senator KASTEN. He accomplished pretty much what he set out to do. I never really believed that the Senator from Wisconsin was willing to suggest we should just throw it all out, and his strong support of the compromise is an indication of his commitment to tax compliance and his willingness to suggest, as he did by his vote and by his statement, that we should do what we can to make certain that everyone pay what is due before we start shopping around for new taxes or higher taxes or repealing any other tax cuts that have been put in place in the last couple of years.

So, Mr. President, I thank my colleagues for letting us discuss this issue for the past 6 or 7 weeks, off and on.

I would hope that we will not have to revisit it soon in this Chamber. What the House of Representatives does, of course, will bear on what course the Senator from Kansas will pursue.

There is still no definitive word as far as I know from the White House. There are some news reports that perhaps the President, after looking at the revenue estimates, feels a little better about the compromise, obviously better about than he felt about outright repeal. Again that is a judgment the President will have to make.

I also want to thank the distinguished acting majority leader for his initiative in getting us together last week. He, along with his colleague from Alaska, Senator MURKOWSKI, suggested a number of provisions for the compromise. In fact, I think the Senator from Alaska, Senator STEVENS, had the first backup or fallback withholding provision, as he referred to it.

So in my view the issue is settled for now. We should go on with the reciprocity legislation. I am very pleased at this point to yield the floor to my distinguished subcommittee chairman, Senator DANFORTH.

Mr. STEVENS. Mr. President, on behalf of the majority leader, I want to take this opportunity to commend the distinguished chairman of the Finance Committee, Senator DOLE, the distinguished Senator from Wisconsin, Senator KASTEN, and the distinguished ranking member of the Finance Committee, Senator LONG, for their tireless efforts and their legislative skill.

I am most pleased that we were able to forge an agreement that resulted in the disposal of the withholding issue. Senators DOLE, KASTEN, and LONG, with the assistance of Senator BOSCHWITZ, provided the Senate with the opportunity to deal with this complex and controversial measure in a responsible and fair manner.

I would also like to thank, for his cooperation and resolve, the distinguished minority leader, Senator BYRD. Throughout the deliberations, the minority leader characteristically applied his keen judgment, and proved vital to efforts aimed at resolving the countless disagreements that have engulfed this body for the past 6 weeks.

I would also like to use this occasion to thank staff members Rod Dearment, Rich Belas, Andre Le Duc, Don Susswein, David Brockway, Clint Stretch, Mike Stern, David Hardee, Dawn Gifford-Martinez, and Elise Paylan. As is usually the case, staff assistance was invaluable and exemplary.

Mr. President, I state for myself that I believe the whole Senate is indebted to the Senator from Wisconsin and the Senator from Kansas for their attitude, their willingness to get together and work this matter out.

When we had the matter raised at the time we were considering the social security legislation, I made a commitment that we would work toward achieving a compromise, and at that time did prevent consideration of the Senator from Wisconsin's amendment. He understood the parliamentary situation, and I think he has demonstrated once again his great wisdom about the legislative process in the way this was worked out.

People who have been covered by the existing provision pertaining to withholding on interest and dividends owe a great debt to the Senator from Wisconsin because of his perseverance in pursuing this matter.

I am delighted the Senate has worked this matter out. Once again, I thank the Senator from Wisconsin and the Senator from Kansas for resolving this issue.

Now, I will say to my friends I have canvassed the Senate and it would not be my intention at this time to renew that request for unanimous consent. I do hope we can move along with this bill, however, and still try to finish it this evening. It is my intention, in the majority leader's absence, to ask that we not come in tomorrow, that we convene on Monday, if we can finish the reciprocity bill this evening.

I would state for the information of the Senate that the schedule for Monday is uncertain. If we do not have any definite business for Monday, we may have a pro forma on Monday. The Senate will not be in session tomorrow if we can finish the recipocity bill this evening.

Mr. BYRD. Mr. President, I want to specify full support of the acting leader's expressed hopes in regard to the bill. I think the chances are pretty fair it can be done. I understood him to say there will be no session tomorrow if that is the case and no session on Monday.

Mr. STEVENS. The Senator is correct. If we can finish this bill this evening and get an agreement on the bankruptcy matters for Tuesday next, we will have a pro forma session on

Monday and not be in session tomorrow.

Mr. BYRD. I thank the Senator.

Mr. DANFORTH. Mr. President, if the Senator will yield, I simply respond from my viewpoint, I think there is a very great likelihood we can finish up this bill in the next hour.

I know of three possible amendments. I think two of those would be probably very simple and easy to dispose of.

The more complicated and serious one which is being offered by Senator SPECTER does present real problems. It would be a major change in the trade law if it were adopted. My hope is that it would not take long to dispose of, but if we cannot prevail on a tabling motion on that amendment, I would want to be able to explain it in some detail to the Senate before we locked it into the bill in its present form.

Mr. BENTSEN. If the Senator will yield for a moment, I would say we are checking on our side. Insofar as the amendments debated and offered at this moment, we do not see a controversial amendment. I share with the Senator from Missouri his concern about the one amendment that might be proposed, and would also want to at some length discuss it and, frankly, would be opposing it.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the Senator from Michigan (Mr. LEVIN) be added as a cosponsor to this bill.

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

AMENDMENT NO. 1194

(Purpose: To amend the Unfair Competition Act of 1916 and Clayton Act to provide for further relief in the event of unfair foreign competition)

Mr. SPECTER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Floor amendments are not in order until the committee amendments have been disposed of.

Mr. BYRD. Mr. President, will one of the managers object if I move that Mr. SPECTER's amendment be in order even though committee amendments have not been adopted.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SPECTER), for himself and others, proposes an amendment numbered 1194.

Mr. SPECTER. 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 appropriate place insert the following:

SEC. . Section 1 of the Clayton Act (15 U.S.C. 12) is amended by inserting after the words "nineteen hundred and thirteen;" the words "section 801 of the Act of September 8; 1916, entitled 'An Act to raise revenue, and for other purposes' (39 Stat. 798; 15 U.S.C. 72);".

SEC. . (a) Section 801 of the Act of September 8, 1916 (39 Stat. 798; 15 U.S.C. 72) is amended to read as follows:

"SEC. 801. (a)(1) if—

"(A) any article manufactured or produced in a foreign country is sold within the United States at a United States price which is below the cost of production,

"(B) such importation or sale—

"(i) causes or threatens material injury to industry in the United States, or

"(ii) prevents, in whole or in part, the establishment of any industry in the United States, and

"(C) Any person is injured in his business or property, by reason of such sale, such person may bring a civil action against any manufacturer or exporter of such article or any importer of such article into the United States who is related to such manufacturer or exporter in the district court of the District of Columbia.

"(2) In any action brought under paragraph (1), upon a finding of liability on the part of the defendant, the plaintiff shall—

"(A) recover damages for the injury sustained or be granted such equitable relief as may be appropriate, and

"(B) recover the costs of the action, including reasonable attorney's fees.

"(b) The standard of proof in any action filed under subsection (a) is a preponderance of the evidence. Upon a prima facie showing of the elements set forth in subsection (a), or upon a final determination by the Department of Commerce or the International Trade Commission under section 735 of the Tariff Act of 1930 (19 U.S.C. 1673d) relating to imports of the article in question for the country in which the defendant is located, which final determination shall be considered a prima facie case for purposes of this Act, the burden of rebutting such prima facie case thus made shall be upon the defendant.

"(c) Whenever it shall appear to the district court of the District of Columbia that justice requires that other parties be brought before the court, the court may cause them to be summoned, whether they reside in the district or not, and the subpenas to that end may be served and enforced in any district of the United States.

"(d) The acceptance by any foreign manufacturer, producer or exporter of any right or privilege conferred upon him to sell his products or have his products sold by another party in the United States shall be deemed equivalent to an appointment by the foreign manufacturer, producer, or exporter of the District Director of the United States Customs Service of the Department of the Treasury for the port through which the article is commonly imported to be the true and lawful agent upon whom may be served all lawful process in any action brought under this section.

"(e)(1) An action may be brought under this section only if such action is commenced within four years after the date on which the cause of action accrued.

"(2) The running of the statute of limitations provided in paragraph (1) shall be suspended while any administrative proceedings under section 731, 732, 733, 734, or 735 of the Tariff Act of 1930 (19 U.S.C. 1673-1673d) relating to the importation in question, or any appeal of a final determination in such proceeding, is pending and for one year thereafter.

"(f) If a defendant in any action brought under subsection (a) fails to comply with any discovery order or other order or decree of the court, the court may—

"(1) enjoin the further importation into, or the sale or distribution within, the United States by such defendant of articles which are the same as, or similar to, those articles which are alleged in such action to have been sold or imported under the conditions described in subsection (a) until such time as the defendant complies with such order or decree, or

"(2) take any other action authorized by law or by the Federal Rules of Civil Procedure, including entering judgment for the plaintiff.

"(g)(i) Except as provided in paragraph (2), the confidential or privileged status accorded by law to any documents, evidence, comments, or information shall be preserved in any action under this section.

"(2) The court in any action brought under this section may—

"(A) examine, in camera, any confidential or privileged material,

"(B) accept depositions, documents, affidavits, or other evidence under seal, and

"(C) disclose such material under such terms and conditions as the court may order.

"(h) Any action brought under this section shall be advanced on the docket and expedited in every way possible.

"(i) For purposes of this section—

"(1) The terms 'United States price', 'cost of production', 'subsidy', and 'material injury', shall have the respective meaning given such terms by title VII of the Tariff Act of 1930, as amended.

"(2) If—

"(A) a subsidy is provided to the manufacturer, producer, or exporter of any article, and

"(B) such subsidy is not included in the cost of production of such article (but for this paragraph), the cost of production of such article shall be increased by the amount of such subsidy.".

(b) It is the sense of the Congress that the provisions of this section are consistent with, and in accord with, the General Agreement on Tariffs and Trade (GATT).

Mr. SPECTER. Mr. President, I have sent that amendment to the desk. It seeks to accomplish the same purposes as Senate bill 418 which was introduced on February 3, 1983 by me, cosponsored by Mr. HEFLIN, Mr. BYRD, Mr. COCHRAN, Mr. GARN, and as I understand Mr. RANDOLPH has since been added as a cosponsor.

This bill, in essence——

Mr. BYRD. Will the Senator yield? I am a cosponsor of the bill which the Senator has referred to and I ask unanimous consent to be made a cosponsor of this amendment, if the Senator will allow me.

Mr. SPECTER. I do and I ask unanimous consent that he be made a cosponsor.

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

Mr. SPECTER. This bill would grant U.S. courts jurisdiction to issue injunctions or grant damages when foreign imports are sold in the United States below their cost of production.

This measure was first introduced in the 97th Congress under the caption of Senate bill 2167 on March 4, 1982 following findings which were made on very substantial damage to the steel industry, as well as other industries by foreign imports which essentially were dumped into the United States, that is, sold below the cost of production or sold with governmental subsidies.

There was a field hearing held on S. 2167 in Pittsburgh, Pa. on April 7, 1982. Two hearings were held before the Senate Judiciary Committee on May 24 and June 24, 1982.

With the expiration of the 97th Congress, Senate bill 418 was introduced on February 3, 1983, and substantially incorporated the provisions of Senate bill 2167 in the 97th Congress. Hearings were held on this bill on March 21, 1983. At that time extensive testimony was given, including testimony by Assistant Attorney General William Baxter, who raised a serious objection to the provisions on dumping relating to the sale in the United States at a cost lower than sold in the home market of the exporter. S. 418 was modified to exclude that factor, so that at the present time it would grant the Federal courts damages or injunctive relief powers where there are imports subsidized by foreign governments sold in the United States below the costs of production.

This measure would promote free trade. It is not protectionist. It would, in fact, be a significant legislative change to stop movements toward protectionism in the United States.

I need not recount on this floor at this time the numerous measures which have been introduced in the House and in the Senate which are protectionist in nature, that is, which seek to give a preference to American-made products.

Those bills pose the significant problem of impeding international free trade. This bill does not impede in any way free trade but instead promotes free trade because it would stop subsidies. An essential ingredient of free trade is fair trade. Fair trade means that the goods should not be subsidized by foreign governments and it means that the goods should not be sold below the cost of production.

Where goods are imported in the United States with foreign subsidies, it is grossly unfair to American goods which do not have similar subsidies and places American-produced goods at a competitive disadvantage.

This bill would supplement the procedures of the International Trade Commission and it seeks to do so because those procedures are insufficient.

Illustrative of those procedures and the insufficiency of those procedures was the case brought last January involving substantial steel dumping. After the case was filed in January, the first action wass taken in June, subsequent action was taken in August, and it was not until October that any definitive action was taken. Then, under the ITC provisions, it can be prospective only and the duties which are paid, go to the U.S. Treasury instead of to the injured parties.

The really effective remedy for dumping for sale below the cost of production is injunctive relief, where a Federal court would order no further imports of such subsidized goods.

It is my submission that, when the Federal courts are open for litigation matters of all kinds in this country which may be of significance to the individual litigants, the Federal courts should certainly be open to enforce the laws of the United States against dumping and against subsidized imports. A consideration has been raised as to whether the courts are competent to handle this kind of complex litigation. I suggest to the Senate that there is ample precedent and ample experience that the Federal courts can handle such matters.

One illustration is the complex litigation in Mobil against Marathon Oil, which was an antitrust action. It was tried in the Federal court in Ohio. It took several weeks to try, extensive findings of facts and conclusions of law, and the matter was resolved.

Before coming to this body, the Senator from Pennsylvania had substantial experience in litigation matters and I am convinced that the Federal courts are well equipped to handle these kinds of cases and that it is in the tradition of the American judicial system to have the courts open where parties have claims of injury. The best way to enforce the laws of this country would be to open up the courts and let those private parties who have contentions of injury seek their relief in accordance with the traditions in our courts.

S. 2167 from the 97th Congress has been modified and I think improved by providing that such actions would be brought in the District Court for the District of Columbia instead of in any district court. This modification is modeled after the provisions of the Voting Rights Act where actions are all brought in the U.S. District Court for the District of Columbia. There may be some concern that perhaps a court, for example, in Kansas City might look more favorably upon Kansas City litigants who seek to save jobs or stop imports into the United States on goods manufactured by, for example, a Kansas City firm. That issue is obviated by granting jurisdiction to the District Court for the District of Colubmia and, further, there would be the development of expertise in that court.

Mr. President, that is the essence of the provision.

I yield at this time to my cosponsor, the distinguished Senator from Alabama (Mr. HEFLIN), who participated with me in the very extensive hearings which have been held on this measure.

Mr. HEFLIN. Mr. President, I rise in support of the Specter amendment concerning unfair foreign competition. I would like to commend the distinguished Senator from Pennsylvania for the legislative guidance and leadership that he has provided in this most important area which Congress has been considering for 2 years.

Foreign subsidized imports are causing severe dislocations in the economic system of this country—an economic system already plagued with problems. Mr. President, I wish to stress the urgency of the situation. Just this past year, one of the largest steel manufacturers in my home State of Alabama announced plans to shut down one of its primary plants. This occurred in Alabama's largest city, Birmingham, which already suffers from an unemployment rate of 15.6 percent.

Many people throughout the country are predicting that we will never know the steel industry in the future as we have known it in the past. It is one of our basic industries. It has suffered and primarily due to the dumping of steel products from foreign sources. This crisis, however, is not isolated to the steel industry. Manufacturers of rubber, electronics, and other goods and materials are being devastated by these excessive subsidized foreign imports.

These industries cry out for our immediate assistance. They are being severely damaged by unfair trade practices. Free competition is essential, we agree, but so is fair competition. We cannot permit foreign governments to subsidize their own industries and then dump these foreign goods into this country at prices below the production price.

How, how can you sell something below the production price or the production cost? The only way is by means of a subsidy, and in this case, that subsidy is coming from a foreign government. In addition to that, these foreign corporations are making a profit.

Now we talk about cornering the market, and in the history of this Nation there have been instances in which this has occurred and we have passed legislation to prevent such activities. But to say that we are free traders and then allow our competitors from foreign countries to come into this country to sell their products at prices below the cost of production seems to me to be a situation we can no longer tolerate.

Unlawful though they are, these practices of dumping continue because present law provides no effective mechanism for vigorous enforcement.

The harsh result is that while American industry flounders, foreign imports in almost every category are on the rise. Mr. President, I believe it is crucial that we act at this time if we are going to have any chance of saving American industry.

This amendment provides American industries injured by the illegal dumping of foreign products in this country greater and more direct access to Federal courts. This will enable them to seek appropriate, equitable remedies, such as an injunction, and also to recover damages from these foreign manufacturers and the importers of their products.

During recent hearings before the Judiciary Committee, my colleagues on the committee heard of the grim effects that dumping is having on many communities throughout the country. I urge my colleagues in the Senate to support this vital and urgently needed legislation.

To delay will only bring about continued dumping and hinder any economic recovery.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, this amendment, if it were agreed to and enacted into law, would amount to a major change in U.S. trade laws. The degree of impact of this amendment on existing trade laws would be very hard to exaggerate.

This bill is being offered now on the floor of the Senate. It has had hearings in the Judiciary Committee, but it has never been marked up in any committee of the Congress, and it has never been accorded a hearing in the Finance Committee, which has jurisdiction over trade matters.

Today, a letter was sent by the chairman and ranking minority member of the Finance Committee and their counterparts on the Judiciary Committee asking for a referral of the bill to the Finance Committee. It is my understanding that that referral will take place.

In other words, this bill, on which the amendment is based, is going to be referred to the Finance Committee. It would be my judgment that it would be a very serious mistake for the Senate to vote for a blockbuster change in U.S. trade policy and trade law immediately after it has been agreed to refer this to the Finance Committee but before hearings have been held.

Mr. President, the amendment is very strongly opposed by the administration.

The Senator from Pennsylvania stated that Assistant Attorney General Baxter testified about it in the Judiciary Committee. His words were, "But it"—meaning S. 418—"would have to be rewritten entirely" for him to support it.

Ambassador Brock, the U.S. Trade Representative, wrote a letter dated April 14, 1983, to Senator THURMOND, the chairman of the Judiciary Committee, strongly stating the administration's opposition to the legislation which is now being presented in the form of this amendment.

Ambassador Brock's letter of April 14 begins as follows:

The administration opposes the enactment of S. 127 and S. 418.

The U.S. Trade Representative goes on to state the reasons for the administration's opposition, and the reasons, in sum, are these:

That the Specter amendment violates the general agreement on tariffs and trade; that it violates the antidumping code; that it overloads the courts; that it would lead to delay by referring trade matters to the judicial process, that it would bog down U.S. industry in lengthy discovery proceedings; that treble damages for dumping or even recovery of single damages for dumping is in conflict with the General Agreement on Tariffs and Trade and the Antidumping Code, both of which provide that antidumping duties must not exceed the margin of dumping; that any provision for the recovery of damages for past dumping amounts to retroactive application of antidumping duties and therefore violates Article 11 of the antidumping code.

Those are some of the reasons given in a three-page, single-spaced, detailed letter from the U.S. Trade Representative to Senator THURMOND.

Mr. President, I ask unanimous consent that the letter from Ambassador Brock to Senator THURMOND be printed in the RECORD at this point.

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

APRIL 14, 1983.

Hon. STROM THURMOND,
U.S. Senate,
Washington, D.C.

DEAR STROM: The Administration opposes enactment of S. 17 and S. 418. These two bills would amend the Antidumping Act of 1916 to provide a means for U.S. industry to file private lawsuits for antidumping relief. Practical legal problems strongly weigh against enactment of either of these two bills. Moreover, either of these two bills, if enacted would put the United States in violation of its obligations under the General Agreement on Tariffs and Trade (the GATT) and the GATT Antidumping Code. Exporters in many of our most competitive industries depend on the protection of these obligations, and enactment of either S. 127 or S. 418, or any similar proposal would expose them to retaliation in kind from our trading partners.

S. 127 and S. 418 are premised on the belief that going to court for a judicial remedy under the antitrust laws would be faster and less expensive for domestic industry than pursuing the existing administrative remedies. In our view, however, the remedy in these bills would further overload the courts and would subject domestic industry to the uncertainty, high cost and well-known delays of the judicial process, typified by antitrust litigation. The foreign defendant could prevent resolution of such a case for years, and could make the case extremely expensive for the domestic plaintiff. We do not believe that the approach taken in these two bills will be of significant help to U.S. small-business petitioners in getting relief.

A foreign exporter could use discovery provisions aggressively in a judicial antidumping case to probe extensively into the U.S. plaintiff's business operations, seeking to show that damage to the industry was not caused by dumped imports. The U.S. plaintiff would also, realistically, have severe problems in obtaining discovery of the facts concerning the defendant's business which would be necessary in order to show dumping. A judicial remedy for antidumping, in fact, would expose the domestic plaintiff to substantial down-side risk from a foreign defendant's possible antitrust counterclaims for treble damages. In contrast, the present system offers no risk to the domestic petitioner, and discovery problems are handled at no cost to the petitioner by the Commerce Department.

We also oppose S. 127 and S. 418 because, if enacted, they would be inconsistent with United States international obligations under Article VI of the GATT and the GATT Antidumping Code. These obligations concern the fair and open operation of antidumping measures; the Antidumping Code was approved by the Congress in the Trade Agreements Act of 1979. Recovery of treble damages for dumping, or even recovery of single damages, is in conflict with the GATT and the Code, which both provide that the amount of antidumping duties must not exceed the margin of dumping. This violation of our international obligations is particularly clear if a final determination of dumping by the Department of Commerce were to be deemed a prima facie case, as in S. 418, and the judicially-imposed damages were then imposed in addition to antidumping duties imposed administratively. Moreover, S. 127's standard for determining whether products are dumped is inconsistent with that of the GATT and the Code.

Furthermore, any provision for the recovery of damages for past dumping amounts to retroactive application of antidumping duties. This violates Article 11 of the Antidumping Code, which provides in essence that all antidumping duties and provisional measures are to be purely prospective except in certain narrowly defined circumstances that would not apply to a remedy such as the one proposed. The provision in S. 127 and S. 418 that importation of the goods may be enjoined to compel discovery conflicts with Article 5:4 of the Code, which provides that antidumping procedures shall not interfere with customs clearance.

The fact that the relief proposed by S. 127 and S. 418 is through the judicial process, not an administrative process, does not exempt it from our international obligations. Article 1 of the Antidumping Code provides that antidumping duties are to be imposed only under the circumstances provided for under Article VI of the GATT and pursuant to investigations conducted in accordance with the Code. Article 16 of the Code makes it explicit that the full obligations of the Code apply to any remedy for dumping, *"No specific action against dumping of exports from another Party can be taken except in accordance with the provi-*

sions of the General Agreement, as interpreted by this Agreement."

We note parenthetically that although the Antidumping Act of 1916 is inconsistent with some of the provisions of the Antidumping Code and GATT Article VI, it is sheltered by the "grandfather clause", paragraph 1(b) of the 1947 Protocol of Provisional Application of the GATT. (This clause provides that certain legislation predating the GATT—for instance, the 1916 Antidumping Act—may continue in effect even though it conflicts with the GATT itself). However, it would be inconsistent with our international obligations under the GATT and the Code if a law identical to the 1916 Act were enacted now. This would also be true if GATT-inconsistent amendments to the 1916 Act were enacted now.

Enactment of S. 127, S. 418 or other similar proposals would invite retaliation abroad by passage of similar measures by our major trading partners such as Canada, Japan and the European countries. Such measures could have a strong negative impact on U.S. exporters and workers in our most export-active industries, such as chemicals, paper and wood products.

The Trade Agreements Act of 1979 mandated expeditious handling of antidumping and countervailing duty cases. The Administration has enforced the antidumping and countervailing duty laws in a vigorous, tough and timely fashion and has processed more antidumping and countervailing duty cases than at any time in the history of these laws. Adding the judicial remedy proposed in S. 127 and S. 418 would be neither necessary nor desirable.

The Office of Management and Budget has advised that there is no objection to the submission of these views from the standpoint of the Administration's program.

Very truly yours.

WILLIAM E. BROCK.

Mr. DANFORTH. Mr. President, what this amendment would do would be to put the courts in the business of handling antidumping and countervailing duty cases. Right now, that jurisdiction is in the Commerce Department and in the International Trade Commission.

Ambassador Brock points out that matters in litigation are not normally handled with great dispatch. Senator SPECTER has practiced law and so have I. Most of the matters I handled related to the defense of litigation. I found that if I wanted to tie things up, which I have to admit that I sometimes did, I could go on forever. The discovery process can go on literally for years.

The Westinghouse case, for example, never went to trial. That was the case of a U.S. plaintiff against foreign defendants, very similar to what we could expect by litigation of antidumping cases and countervailing duty cases. The case went on and on and on. It would be very simple to keep the case in court forever.

I wonder how many U.S. companies would be willing to open all of their books and records to discovery. If dumping cases are somewhat similar, and I think there is at least an analogy, to antitrust litigation, discovery in antitrust litigation is immense. Whole rooms, of files are opened to lawyer from the other side.

I do think U.S. industry would want that.

Mr. President, right now, jurisdiction over these cases is in the Commerce Department and in the International Trade Commission. Members of the Finance Committee today were over for lunch at the International Trade Commission. It is a wonderful organization, absolutely first rate, professional. It has several hundred employees, experts in international trade, economists, people who focus on trade matters, particularly relating to these cases. The heart of their work is handling these cases. They are able to put the experts on them, to make the economic analysis which is necessary to determine whether or not there is injury, as required under the law.

Let us suppose that a case is filed in the U.S. District Court for the District of Columbia before Judge X. Does Judge X have any expertise in trade matters? Is he an economist? Does he have economists on his staff capable of making this kind of determination? The answers to those questions are no.

Do we want to set up a counterpart to the U.S. Trade Commission within the District Court for the District of Columbia? My answer to that question is, I hope not.

Courts are not equipped to make economic analyses of this kind. They do not have the expertise, nor, in my opinion, should we have any kind of forum shopping, even if it is just forum shopping in one court versus all the district courts all over the country.

It seems to me that our emphasis in the Congress, if anything, should be to consolidate trade policy. I am not sure I agree particularly with Senator Roth's approach to setting up a Department of Trade, but when we created the U.S. Trade Representative, we decided that it is important to bring together under one roof U.S. trade policy in trade and we intended to consolidate the functions. It is still spread out a little bit, the Commerce Department, ITC, USTR.

But to get the courts on a different track in the business of trade enforcement is to bifurcate something which Senator ROTH, for one, believes we should be consolidating.

This amendment would violate GATT, Ambassador Brock has pointed out. How so? Two ways.

First, it would violate the General Agreement on Tariffs and Trade by imposing damages retrospectively. That is what damages are in litigation. Damages are recovery for past injury, whereas, under the General Agreement on Tariffs and Trade, what is permitted is an offset for the margin between the cost of production and the cost of sales. So they are entirely different measures of what you can do. Damages, whether it is single damages or treble damages, simply violate an international agreement, a treaty.

Second, equitable relief. What is equitable relief? Equitable relief is to say, let us go to court, I take it in summary proceedings; let us go to court and get an order from a judge keeping the whole product out. That is an entirely different matter from the kinds of relief provided in dumping cases under present law. Under the present law, there is no way that I know of to absolutely keep the product out at the water's edge. Rather, the objective is to provide for equity and fairness in pricing, more competition and fair competition—not no competition. An injunction is to say, no competition, shut the product out.

It is true that there are U.S. industries which are threatened by foreign competition. They want a fair shake. They did not want illegal practices to cope with dumping and subsidies to foreign goods. It is quite another thing to say, we have been injured; therefore, keep the whole product out—do not simply provide us with equity, but shut it out at the water's edge.

Maybe there would be some winners on such a highly protectionist policy, such an ultraprotectionist program as this, but there would surely be some losers as well. How about the people who are in business importing these things? It is not just a matter of adjusting their prices any more; it is shutting the goods out at the water's edge. Do we not have enough bankruptcies in this country as it is without doing that?

Finally, Mr. President, as recently as 1979, we in Congress went through a very lengthy proceeding. Senator BENTSEN was a key part to it. Senator HEINZ was a key part to it. It was to amend the antidumping and countervailing duty laws. Those amendments were procedural. The effort was to speed up the process, facilitate the process of handling subsidy cases and dumping cases. We worked long and hard at that tedious job of reviewing procedures. I think we did a good job.

Let us see how that process works. The preliminary indications are that it is working very well. In 1982, 192 proceedings were initiated in antidumping and countervailing duty cases. From every indication that we have had, the present system is working well—maybe not perfectly. If not perfectly, maybe then we should review what we did in 1979, not ignore what we did in 1979, and proceed on a brandnew track of putting it in courts.

People around the Senate are always complaining about the Federal courts: How did we put the courts into this act? Why are the courts doing so much? I simply say to the Senate, why put them in this? Why get them in this business? Why turn them into

economists in an area requiring economic expertise?

The PRESIDING OFFICER. The Senator from Texas.

Mr. BENTSEN. Mr. President, I understand the frustrations of the Senator from Pennsylvania and the Senator from Alabama. I have been searching, too, for ways to make the law more effective. I see the Japanese targeting our industries, subsidizing their industries, establishing beachheads with their products to try to increase their market, breaking some of our companies. I watched the European Common Market, where it is not just our company competing against the companies of Europe, but competing against the countries of Europe—companies owned by Governments who have not just an economic objective, but a social objective—targeting our industries and exporting their products and, sometimes, selling them below their cost until they establish those markets.

What we are talking about now is a dramatic change in approach. We are talking about making it a court action. What we have now is working rather well. Here are the pages of actions filed with the International Tariff Commission insofar as dumping cases. The law that we passed in 1979, with the very substantial help of the Senator from Missouri, is one that said they had to determine that case within 9 months, except under extraordinary circumstances, when they could go for another 2 months, for a total of 11 months. While we were visiting today at noon with the members of the ITC, we were advised that there is not one instance where they have gone beyond that period of time, that they have acted. The interesting thing is, I do not believe anyone can say that they are antibusiness or anti-U.S. commercial interests. In 60 to 65 percent of the cases filed, they gave positive affirmative relief.

How do they do it? They do it by adding to the duty on those goods coming in.

Let me say to the Senator from Pennsylvania that one of the provisions in his piece of legislation has some appeal to me. That is the question of retroactivity.

I get concerned about the relief that we have being just prospective. I would like for us to be in a position—when one of those exporters to this country sends its products here, I would like him to know that, as he is doing it, he is going to be paying a penalty for all that period of time, not just after the decision by the ITC. I think when we go this way and make it court litigation, without a question in my mind, we have violated GATT, because GATT provisions provide that it has to be administrative relief.

That is not what the Senator is proposing. I hope that he would come to the Committee on Finance, as I understand the legislation will for hearings; that we explore the possibilities. They have had those hearings in the Judiciary Committee. Let us see if we cannot work this out together and find a way that we can accomplish some of this question of retroactivity without a violation of GATT. Let us not go to a penalty that goes beyond the damages actually suffered, which, again, is a violation of GATT.

Let us not go to a provision that would allow the exporter to this country to file suits against the plaintiff here, to aggressively go the discovery route, looking at their books, trying to better understand the business of their competitor, so they could argue that it was not an economic loss of dumping but because of the inefficiency of their competitor. Let us not put that kind of a tool in the hands of U.S. competitors. I think it is time that we quit apologizing for U.S. commercial interests. I think it is time that we must more aggressively push U.S. commercial interests and that Government not be the adversary but that it help us keep the jobs at home by pushing U.S. products. At the same time, let us not ask for other countries to violate the rules of GATT and subject us to the same kinds of procedures in their own countries by pushing it off into the court system. You and I know that most of our courts are overburdened. You and I know the years and years that have been utilized by many defendants to delay a court decision, but when you stack that up against the report of the ITC that has not once gone beyond the time when those decisions have to be made in an 11-month period and the hundreds and hundreds of decisions being made and 60 to 65 percent of them a positive, affirmative relief to the plaintiff, let us not jeopardize that system. Come to us in the Finance Committee, follow through on the Judiciary Committee, and let us see that we make a proper approach in trying to achieve some of the objectives that you and I share in seeing that we push our exports; that we save our industries, and that we keep the jobs in the United States and not try to take this kind of action this afternoon on the floor of the Senate.

I hope that if the Senator will take that action—and I assume that we could get hearings; we have the chairman of the subcommittee here—we would be able to get hearings in the Finance Committee concerning this. I would like to see if we cannot work this solution out together and not find ourselves in violation of GATT and not damage a system that I think is making some progress.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, I would have welcomed hearings before the Finance Committee. When the distinguished Senator from Texas says that he hopes I would "Come to Finance," I would have been delighted to come to Finance at any time. This matter was one where I had specifically requested the distinguished chairman of the subcommittee, the Senator from Missouri (Mr. DANFORTH) to have hearings last year. I made the request to the distinguished chairman of the Finance Committee, Senator DOLE, to have hearings. This is not a matter which has evolved full blown this afternoon.

Mr. BENTSEN. Will the Senator yield? I think the Senator has our attention.

Mr. SPECTER. Well, I have more than attention. I have the opportunity to have the Senate pass on the matter today.

Mr. BENTSEN. I must say it had not been referred to our committee prior to this time.

Mr. SPECTER. Well, I must say that is an irrelevancy. If the Finance Committee would have wanted it, it could have taken the appropriate action.

Mr. DANFORTH. Will the Senator yield at this point just for clarification?

We asked for referral last year. It was not referred. We again asked for referral this year. Today, it is my understanding that a letter has been sent by Senator THURMOND, Senator BIDEN, Senator LONG, Senator DOLE, and Senator BAKER asking that it be referred to the Finance Committee. It is my understanding that that will occur. Because it has not been referred to the Finance Committee, we really have not been in a position of holding hearings until today.

Mr. SPECTER. Is the Senator from Missouri representing to me that there could not have been a referral of this matter during 1982?

Mr. DANFORTH. There could have been if it had been agreed to by the chairman and ranking minority member of each of those two committees and by Senator BAKER.

Mr. SPECTER. Is the Senator from Missouri representing to me that he made the efforts in 1982, or whoever made the efforts now made those efforts in 1982 to have an earlier referral?

Mr. BENTSEN. Did the Senator from Pennsylvania make efforts to try to get it referred to the Finance Committee?

Mr. SPECTER. Yes. I requested of Senator DANFORTH and Senator DOLE that the Finance Committee hold hearings on the matter.

Mr. DANFORTH. Our position was that if the Judiciary Committee acted on it, then the Finance Committee would ask for referral. Our request for

referral was conditioned on the Judiciary Committee acting on it.

Mr. SPECTER. I would suggest that such a procedural position is not one which has any vigor. It has been pending in this body for more than a year, and the Finance Committee and the subcommittee were indifferent to it until now, when they are faced with the prospect of a vote. If there had been any real interest in having the matter referred to Finance and the subcommittee, it could have been accomplished. As the introducer of the bill, I sought to have that done.

This matter came before this body on an amendment to a measure on the gas tax in December. It is well known to the distinguished Senator from Missouri that the Senator from Pennsylvania was pressing the matter and intended to press it and that it was reintroduced this year. So I am hardly moved to withdraw the matter at this time when it is in a posture to have a vote on it. I understand the legislative procedures necessary to attract the attention of the subcommittee or to attract the attention of the administration to have the matter considered. This is a good occasion to get a vote, which I think may be very substantial. I do not know. That remains to be seen. I must say, candidly and forcefully, that I am not impressed by the exhortation to come to the Finance Committee in the context of the history of this matter where the Finance Committee had ample opportunity to have hearings, if it had any interest in doing so, for more than a year.

I must say that I am surprised and chagrined to hear of the letter from Mr. Brock to Chairman THURMOND when I did not receive a copy of that letter. The first notice I had of it is when I heard about it from the distinguished Senator from Missouri.

When the Senator from Missouri says that this bill has major changes and that it is a blockbuster, and when the distinguished Senator from Texas says that there is a dramatic change in approach, I am complimented that those characterizations are used on this bill because that is exactly what is necessary in this country at this time.

When the Senator from Texas says we should stop apologizing and should aggressively push American interests, I agree with him entirely. That is exactly what this bill seeks to do. We have been victimized by unfair for foreign practices of subsidies and unfair foreign practices of sale below the costs of production, and our American industries have taken it on the chin, not only steel but leather goods and textiles—virtually every industry that we have in this country.

As the distinguished Senator from Alabama pointed out, we are free traders but we are victimized by unfair foreign practices. It has gone on too long.

When the Senator from Missouri talks about impending losers should there be more bankruptcies in this country, I think it is beyond question that bankruptcies are caused in enormous numbers by the unfair foreign practices of subsidies; there are 125,000 steelworkers unemployed alone as a result of dumping and subsidies, and the balance on bankruptcies would be in favor of this legislation.

The arguments have been advanced that this is a violation of the GATT. Based on the testimony which was adduced by representatives of the Justice Department and the Trade Representative, I doubt very much that this is a violation of the GATT.

When the Senator from Texas talks about GATT prohibiting any award beyond the amount of damages, I believe this legislation is well within the confines of the provisions of GATT.

When the Senator from Missouri said that this puts the court in trade matters, that is precisely what I seek to do.

When the Senator from Missouri says that the courts are not equipped to make economic analyses, he simply is not facing the facts. Courts are deciding economic matters all the time in their decisions on contract cases, antitrust cases, and security actions.

When the Senator from Missouri says that his litigation experience would enable him to have the case go on forever, I doubt that, if he were faced with a resourceful opponent on the other side.

When an action is filed for an injunction and a lawyer takes a case into court and he puts on his evidence and shows that there is damage and makes out a case, he gets an injunction on that day. The defendant can thereafter go on and discuss it all he likes, but it does not stop the injunction from going into effect at that time.

Injunctions are not superseded, except in extraordinary cases, and then with the filing of a bond.

So this is not the kind of litigation which would lend itself to the kind of dilatory and delaying tactics described by the Senator from Missouri.

My sense is that American industry has waited too long to stop unfair foreign trade practices. I am not so naive as to believe that the action of this body today, even if it agrees to this amendment, is going to have any immediate consequence in the short term assuming its passage by the House and signature by the President, or an overriding.

I think that if this body shows today, by a strong vote, that the courts should be open for this kind of injunctive relief and damages; that the courts should be in a position to stop unfair foreign trade practices which have victimized U.S. industry right and left; that the courts are in a position to protect private parties when the ITC and the Commerce Department do not act; when the context of reality is that industries are being sacrificed on the altar of foreign policy; and that the American courts should be open to this kind of damage action, then I think we will attract a great deal of attention, and there will be ample time for hearings before the Finance Committee, which I would be delighted to attend.

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

Mr. SPECTER. I yield.

Mr. BYRD. Does the Senator yield the floor?

Mr. SPECTER. I yield the floor.

Mr. BYRD. Mr. President, I support the amendment which has been offered by the distinguished Senator from Pennsylvania (Mr. SPECTER).

I am a cosponsor of the legislation that was introduced earlier this year to accomplish the purpose of this amendment. The amendment embodies the substance of S. 418, the Unfair Foreign Competition Act of 1983, and I am a cosponsor of the pending amendment.

There are those who caution that the United States will precipitate a trade war. My response is that we are already in one. We have been in one.

I should like those who think in that fashion to visit my steeworkers in the Ohio River Valley, up around Wheeling and Weirton, and tell them that we are likely to get into a trade war. But have the boxing gloves on when you go. We have been in a trade war. The United States is losing without firing a shot.

This amendment recognizes the fact that foreign nations are dumping goods on the American market at prices well below the cost of production, and an outstanding example of this practice is in the international steel trade.

We have a steel plant in Weirton that has cut off 5,000 to 5,500 persons. There are about 8,500 persons still employed there. The company is faced with the prospect of a complete shutdown. They are trying to help themselves. When I say "they" I am talking about the workers at the plant and the plant management.

At this time, I want to thank Senator LONG for the help that an outstanding expert on ESOP—who is a member of Senator LONG's staff—has been able to give to the workers and management and city officials of Weirton, in their effort to develop an ESOP for that plant. The ESOP is developing along very well. It is pretty much on target.

We have had some assistance from the Environmental Protection Agency, which has approved the "bubble" concept, one of the applications for approvals, and that Agency also is considering a second application for ap-

proval of the "bubble" concept, which, if approved, I think will save the company several million dollars. The first bubble concept that was approved saved about $30 million, which can be applied to the purchase of the plant.

Mrs. Sowell, who is the head of UDAG, has been most cooperative as we have sought to try to get a $20 million grant from that agency to rebuild a coke facility.

I think we are well on the way to a successful development of an ESOP; and if that does occur, it will be the largest ESOP ever.

Again I want to thank Mr. LONG. One of his staff members is an expert on this matter, and his staff member met with me and with the people from Weirton—the workers, the management, and his staff member. His staff member visited Weirton a number of times—this was cleared with Senator LONG—and advised the people there on the steps that should be taken. We are very deeply appreciative. My people in West Virginia know that Mr. LONG has been helpful in this regard.

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

Mr. BYRD. I yield.

Mr. LONG. Mr. President, I congratulate the Senator from West Virginia for the effective steps he has taken to help those very noble and hardworking employees at Weirton, through their own dedication and sacrifice, to save their jobs and their industry.

Their proposal for an employee stock ownership plan to save that company will succeed. Those people will take a very substantial pay cut, more than 20 percent. They will make a major sacrifice and will give more productivity for less money. But I am confident that, in the end, the dedication and the sacrifice of those workers in that area will save their jobs.

I think we owe it to them to cooperate and to work out a program not only for the people at Weirton but also throughout the United States, to insure that we take the same interest in our employees that other nations do in theirs.

I say to my distinguished friend the minority leader, who for many years served as majority leader, that I do not think this amendment is the right approach, but I agree with him in the objective that we must take the same interest in our workers that other nations take in theirs; that we must provide the capital, the support, and the encouragement; and that when people are willing to make the kind of dedicated effort that the people in this area of West Virginia are willing to make, they will have a sympathetic Government on their side.

I agree with the Senator in that respect. Having said that, I am still not convinced that this amendment is necessarily the way to do it. I believe that we may have a more expeditious remedy available to them under procedures that we have worked on in previous circumstances, some of which are in the law now, to assure that they get a prompt answer with regard to the facts of dumping and if the facts are there, of course, they are entitled to the remedy that the law spells out, and if that law is not adequate they are entitled to something stronger.

Mr. BYRD. I think the distinguished former chairman and hopefully soon-to-be chairman again of the Finance Committee for what he has said, and I again thank him for the assistance he has rendered, through his staff man, to our people. It will constitute a sacrifice on the part of the workers, and I understand they are going to be voting very soon on this matter.

I respect the viewpoint of any Senator who feels that this amendment is not the way to go. But I do believe that all Senators are of the same opinion as I when I say that we must retain a strong, viable steel industry in this country and there are other industries as well—the ferroalloy industry, the specialty steel, glass, coal, electronics, and so on.

We are rapidly becoming a service-oriented economy. I am glad to see the service industries grow also and I wish to see McDonald's and Sears and all the others employ more and more people, but we cannot allow our country to be at the mercy of other countries when it comes to an emergency. We have to maintain a strong, viable steel industry and this particular plant in Weirton has been one of the most efficient steel plants in this country. They have done, I believe, over $1 billion worth of business annually and at a profit of about, if I remember correctly, less than 1 cent on the dollar.

I am just concerned when I hear that Secretary of the Treasury Regan is saying in effect to our steelworkers, "Forget it, boys. Sears, Roebuck and McDonald's will hire more people than the steel industry does. You may never get your jobs back."

That is not the kind of spirit that made this country, Mr. President.

When DeTocqueville visited this country in the 1830's, I believe it was, he referred to the American as the "Incredible American," the incredible American "who believes that if something has not yet been accomplished it is because he—the incredible American—has not yet attempted it." That is the kind of spirit that built this country.

I am not going to lose my respect for Senators who feel this is not the right way to go. Maybe they are right and mayble I am wrong. But I do believe that we cannot allow our basic industries to wither on the vine and our Nation become dependent upon other countries for such important items as steel that are so vital to our national security.

Maybe there are other ways to go, but I hope we will find the right way. If this is not the right way, I hope we will find the right way because not only jobs but also national security depends on our doing that.

We cannot build ships out of fiber glass. We cannot build tanks out of fiber glass. And we cannot build armored vehicles out of fiber glass. We cannot fuel airplanes on nuclear power. It takes a liquid fuel. And we cannot let our coal industry deteriorate. We have thousands of coal miners in West Virginia who are out of work today, many of whom are out of work because the steel industry is in a slump.

I feel that my friend, Mr. BENTSEN, wishes me to yield, and I do yield to him.

Mr. BENTSEN. Mr. President, if the Senator will yield only to comment about his concerns, I congratulate the him on his leadership in fighting to see that we keep jobs in coal. I share that with him.

These people who think we are all going to go to service industries or to high tech are not meeting the realities of the economic conditions of our country. There is no way that we will remain a great Nation unless we keep some basic smokestack industries, and steel is certainly one of them.

I share with the Democratic leader the concern about the dumping of steel in this country and what we have had to do trying to work out a deal with the European Common Market to try to deter that dumping.

In trying to achieve that objective, we are beginning to make some real headway. In ITC I looked through the list of pending cases on dumping. Every one of them that I have seen that involves steel the preliminary decision has been affirmative insofar as relief. In 60 to 65 percent of all cases—that is not just limited to steel—we have seen affirmative relief for U.S. industry and we have seen that relief extended in a period not to exceed 11 months.

So we are seeing some positive action finally being taken and surely I could not agree with the Senator more that it is well past time that that be done.

But in trying to achieve the objective he and I share, I frankly believe that what we have seen now with the ITC and what it is doing is beginning to move us down that road.

Mr. BYRD. I agree with the Senator that the ITC is at last giving some help. I think it has been a long time in doing it.

I have appeared before the ITC and I have talked with Mr. Brock and urged that there be an investigation of the trading policies of certain nations that have hurt specialty steel, for ex-

ample, and I think that he was not convinced that an investigation should be made, but following my call and the visitations by representatives of specialty steel, some of whom came from Pennsylvania, he pursued that investigation and the investigations are showing in many instances that our trading partners are not being fair with us.

My distinguished and very able friend, one with whom I served years ago in the House of Representatives, Mr. BENTSEN, has referred to the problems that face the steel industry and he has also referred to the high tech industries.

What is happening to steel today can happen to computers and high tech tomorrow if we are not careful because the Japanese are coming on fairly aggressively, and it is just as Mr. BENTSEN said: They cannot employ a lot of people. We cannot look to high tech industries alone as the salvation of our country or the resolution of our unemployment, because I suppose 3 or 4 million persons might be the capacity for a leading high tech effort in this country.

But, nevertheless, while we do disagree perhaps as to the approach taken, I do support the amendment and coming from a State with the highest unemployment in the country, I think that any Senator in that situation would certainly sympathize with the viewpoint that I am expressing.

I know that those who do not favor this amendment sympathize with it as well.

But aside from my own situation in West Virginia, the American market is the only major open, unprotected steel market in the world. Our market is approximately five times larger than any other in the world, and foreign countries have built excess steelmaking capacity in order to export to the U.S. market. The Commerce Department, the International Trade Commission, and the Special Trade Representative have determined that many of the European Community countries, and others, such as Brazil, have dumped steel in the U.S. market.

The American steel industry has followed the procedures established in our trade laws and antitrust laws for relief from the unfair trade practice of foreign dumping. A major drawback is that current procedures are extraordinarily slow. A dumping case usually require a minimum of 14 months to pursue under so-called accelerated legal processing procedures. It is common for such cases to require 18 months or more to be disposed of, and even then the relief may be insignificant.

This amendment provides immediate access to the Federal courts for injunctive relief from injuries caused by illegally dumped goods. Injunctive relief is important in that it stops the activity that is causing, or that is likely to cause, injuries to domestic firms that are trying to fairly compete. Injunctive relief could be obtained if the suspected dumper failed to comply with a discovery order of the Federal court, or if the court determined during the course of its proceeding that dumping was occurring.

Should dumping be proved, the injured domestic firm could collect treble damages as compensation. This provision puts teeth into the enforcement of our laws against dumping.

I need not dwell on the fact that approximately 165,000 steelworkers are laid off in America, and another 15,000 are on short workweeks. The damage caused by illegal imports is not confined to steel alone. I have already referred to the impact in the coal industry in West Virginia, and I should say that glass and footwear and other industries have all been unfairly hurt. We have a company in Parsons, in Tucker County, W. Va., which manufactures footwear, and I was there last fall. I was told by the manager of that company that when the administration took off the tariff or quota or whatever it was a few months previous thereto, the imports of footwear to this country increased 30 percent following that action.

I was also told by the manager of that industry that 60 percent of the footwear the American people consume is shipped into this country, so we have got a good many industries—such as the leather goods and footwear industries in West Virginia—that have gone under in recent years because they cannot compete with other countries as a result of unfair trade practices by those countries.

Unfair trade practices perpetrated on our basic industries inevitably affect large segments of our economy—including the service sector. The American Iron and Steel Institute estimates that as many as 500,000 employees in service-and-support industries have lost their jobs because of steel's decline.

So I do not think we can sit idly by and witness the piecemeal destruction of our basic industries. Our national security depends on the maintenance of a robust heavy industrial base. All of the high technology used in modern weapons is useless without steel to build ships, aircraft, tanks, and missiles, and without the ferroalloys. I have a ferroalloy plant located down on the river in Fayette County, and that plant has seen half of its workforce put out of jobs because of the fact that ferroalloys have come into this country at prices that cannot be met by our own manufacturers.

Other commodities that contribute to our national security and our domestic economy—electronic equipment, machine tools, robotics—would be covered by this amendment if foreign nations make illegal efforts to penetrate our market with such goods.

The Specter amendment greatly improves the credibility of our trade and antitrust laws by providing expeditious and effective relief from illegal and unfair trade tactics.

We may not win today, but at least we are making the effort here, and I hope my colleagues will give the amendment favorable consideration.

I have talked with the Germans, I have talked with the British, I have talked with the Italians, with Spaniards and others.

I told Sir Nicholas Henderson, who was the British Ambassador, at least up until recently, that subsidization of the steel industry by his Government was hurting our people. He said very frankly, "We subsidize our industry to keep our people at work."

So I can understand their viewpoint also. But charity begins at home, and I am going to think first of the people of West Virginia. We have to do something to protect ourselves.

I told the German foreign minister the same thing, that subsidization by his Government was hurting our people, throwing our people out of work. I will continue to complain as long as I think other countries are being unfair in their trading practices against our own exports. I want to see a continued increase of our exports, and all I am asking for is fairness, fair trade.

I guess that about winds up what I have to say. I thank the Senators for their patience in listening, even though they may for the time being disagree with me.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER (Mr. NICKLES). The Senator from Pennsylvania.

Mr. HEINZ. First of all, I commend my good friend and colleague from Pennsylvania for offering this amendment. It is not the first time he has come to the floor with this amendment, but it is the first time, I think, the Senate has given it the kind of serious attention it truly deserves.

It is, notwithstanding the very serious problems of the steel industry that the Senators from West Virginia referred to a moment ago, and notwithstanding the fact that this amendment would be of material help to industries like steel that are devastated by a very high level of imports, it is not, as I think most colleagues are aware, specific as to any particular industry. It is aimed at helping any industry that is victimized not by any kind of import competition but by unfair foreign import competition, that is to say dumped imports—imports which are sold below cost; that is to say, imports where the country of origin, its government, is in a material way financially aiding either through capital in-

vestment or through making up operating losses or through the provision of working capital, or through many other means, making it possible for that import to be sold in this country at a price that is subsidized directly or indirectly.

The legislation on the books today, Mr. President, makes very clear, that we are opposed to, and we are determined to take action against, unfair foreign competition of the kind described.

Indeed we have had laws on our books in their regard for many years, but it was not until 1979 when we enacted as part of the Trade Agreements Act of 1979 some better statutes, we thought, regarding countervailing duties and antidumping; that we had for the first time laws that offered some hope of relief. They did not just come about, however, because the Congress thought it was a good idea. They came about because during a negotiation on trade, the Tokyo round, our trade negotiators, led by Bob Strauss, got other countries to agree, sign on the dotted line, to two codes: the Antidumping Code, and the so-called Subsidies Code. Both of those codes, which are now incorporated into the GATT, the General Agreement on Tariffs and Trade, are supposed to be not just an international code of good behavior but an international body of law by which civilized trading nations—those that engage in the practice of international trade and pay their bills would be my definition of civilized—are obliged to observe, else they would incur quite legally a penalty.

Since we wrote the 1979 Trade Agreements Act, it has become apparent that, although relief may be obtained under it, obtaining such relief often is lengthy, it is usually expensive, and the results in terms of waiting can often lead to some very difficult hardships for the industry involved.

One of the things that happens inevitably as a petition winds its way through this 6- to 10-month process of going to the ITC, and the Commerce Department, and then back to the ITC for a final determination, is that just before you get to that determination when a countervailing or antidumping duty is going to be imposed, suddenly you will see this surge of imports come into the United States as the importers, like any good salesmen—if you ever were a salesman you will know what I am talking about—load up before the price goes up.

In fact, our family used to call it, during World War II, hoarding—get it while you can because you are not going to be able to get it or get it so good later. And when enough steel or autos or motorcycles, what have you, are hoarded up, it is a long time, a great deal longer than 10 months, that the industry has to wait for any meaningful relief.

My distinguished colleague from Pennsylvania seeks a solution to that problem. He seeks a swift termination of dealing with unfair foreign competition. How this body could disagree with the need for a swift—equally fair, but swift—termination, I would not know.

I am aware that there have been some criticisms of any approach to change existing law. Some people say, "This is too harsh, this is too fast, this is too quick. Let's do nothing." Mr. President, I do not think that is an adequate response.

I think the injunctive relief in this bill might be subject to criticism by our international trading partners. I am not sure if that criticism would be accurate—I have never known them to like anything we have done to defend ourselves—but they might nonetheless argue that somehow this contravenes the letter of the GATT. Mr. President, if they make that allegation, I would sure like them to answer some questions we could pose to them about their local content requirements, the Common Agricultural Policy and agricultural subsidies, the ability, such as it is, for anybody to make a direct investment in Japan, the kinds of nontariff barriers that virtually every country except this one imposes on international trade.

Indeed, the subject of this bill used to be called the reciprocity bill until people said, "That is a protectionist word, reciprocity." Trying to get fair trade is protectionist somehow.

The fact is that this country stands nearly alone in the practice of free trade, and I think most properly we are committed to free trade. But, let me say, unless we begin to enforce our statutes against unfair trade, we will not have a country left to advocate free trade. We will be out of business and all of the people who seek to export here will be out of luck. They do not plan it that way, but that is just the way it may work out.

Mr. President, the purpose of Senator SPECTER's bill could be possibly met by other means. I would think the strongest part of what he proposes is that damages will be levied in the event of violation. I think that, if we adopt that principle, we have gone a long way in making it clear that we will not stand idly by as our industries are destroyed.

One last point. There are other trade measures that we will be considering this year, in addition to this bill. The House Ways and Means Committee is working right now on some adjustments to the countervailing duty and antidumping laws, maybe section 201, I do not know. I introduced S. 849 a few weeks ago which is aimed at strengthening our adjustment procedures under section 201 and getting industries that are not as competitive as they should be and which are subject to a flood of imports to become more competitive during a period of import relief. Such legislation is entirely consistent with—complements, if you will—what Senator SPECTER is trying to do.

Senator SPECTER's legislation that is before us today is rather like sending in the emergency medical team to save the patient's life after he has been hit by a truck that was crossing an intersection through a red light. That is what Senator SPECTER seeks to do. It is intensive care; it is acute care. S. 849 is long-term recovery for these industries.

It would be my hope, Mr. President, that as we move ahead here today—and I hope the Senate does adopt Senator SPECTER's amendment—that we will recognize that we have some other things to do as well. We use the term around here "high tech." I am for high tech. I think it is wonderful—Atari Republicans, Atari Democrats. I think we should do everything we can to encourage new industries, new jobs. I do not know of any proposals that do, but I am for it.

But while we are talking about new industries, Mr. President, I think we would be making a bad mistake if we did not focus on the industries of today, not just of the industries we hope to have in the future. Senator SPECTER's legislation does that and I commend him for it.

Mr. DANFORTH. Mr. President, it is my intention in just a few minutes to move to table this amendment.

Let me say, first of all, that I very much respect the position that was taken by the Senator from Pennsylvania and taken by the Senator from West Virginia. I totally agree that clearly we do not want a country solely of services and high tech. We have to be able to make things and we have to be able to enforce the law. It is a violation of law, international law, to ship subsidized goods into this country and it is a violation of law to dump. We have to enforce the law. There is no doubt about that. There is no argument on that.

Those who say that our industry is sick and that it has to be fixed and that we need doctors on the scene, they are absolutely right. The question is, how is the law to be enforced? That is the question that is posed by this amendment. The problem with the Specter amendment is that it violates the General Agreement on Tariffs and Trade.

Now we can either enforce the law in a way that is consistent with international agreements or we can ourselves violate the law, violate international agreements. And this really is a case of those who live by the sword dying by

the sword. There is not any free lunch in international trade.

If we begin to just say, "Well, we are in a trade war; therefore, we are not going to play by any rules anymore," we are going to just scrub the General Agreement on Tariffs and Trade and there are going to be major losers in this country.

So I think the first point is, when we enforce antidumping laws and countervailing duty laws, let us do it within the context of an international agreement, because if we do not do that, then we are going to have some major losers at the same time.

Now on the timeframe of using the Specter amendment, if this were now part of our way of enforcing antidumping and countervailing duty laws, the Specter amendment provides for two types of remedies, one is damages and the other is equitable relief.

The damages portion of it would take forever. That is where you get into discovery. That is where the able defense lawyer can keep you in court forever and ever. It is very protracted. It is much lengthier than the present system.

The present system with the Commerce Department and the International Trade Commission, with which we had lunch today, now takes on the average 5 months under the new procedures we put into law in 1979. So we have been expediting the procedures to 5 to 8 months. By contrast, a damage proceedings in court could take literally years, in a complicated case.

With respect to equitable relief, there is no question about equitable relief. You can go to court and get a restraining order. Find the judge and get the order. But the order of the court involves just shutting off all imports, a summary proceeding. It is not a matter of calculating what the margin is under a dumping case, which is something the economists do. It is saying, "All right, shut off the imports."

Do we want to vest in the hands of a single Federal judge in a summary proceeding the ability to close the door? If we are to do that, that clearly violates the GATT, clearly violates the GATT. It clearly causes massive and immediate disruption, literally overnight disruption. Therefore, I think it is really terrible policy.

I might add that when I introduced this bill 2 years ago or so, the so-called reciprocity bill, I took the position at the time that if it became a Christmas tree for really bad trade policy I would do everything that I could to abort my own bill. That is my position on this kind of an amendment.

I am going to move to table right now and if I do not prevail I am going to do, Mr. President, really everything I can to kill the bill.

Mr. BYRD. Will the Senator yield?

Mr. HEFLIN. Will the Senator yield?

Mr. DANFORTH. I yield to the distinguished minority leader.

Mr. BYRD. I want to thank the distinguished Senator from Missouri on another matter, for the advice he has given my grandson, Erik Fatemi, to attend Princeton University where he has been accepted.

Mr. DANFORTH. Am I succeeding?

Mr. BYRD. I do not know how well the Senator is succeeding, but we will find out later.

Are the Japanese violating GATT when they subject our products to time-consuming tests and certification procedures that make it impossible for our products to sell in Japan?

I understand that a pound of American steak over there costs $35. Are they violating GATT?

Mr. DANFORTH. Yes. The question is, How do we enforce the law? Do we attempt through the international process to do so? That is, in effect, what the reciprocity bill is all about, to clarify and strengthen our mechanisms for enforcing fair trade laws. I think it is very important to do that and very important to improve that process. I think the problem here is that this does not improve the process; this really radically changes it. It scrubs the process.

Mr. BYRD. I thank the Senator. Senator HEFLIN wants to be heard. I hope that if we are going to have a vote, we do so soon so that my senior colleague may attend a function.

Mr. HEFLIN. Mr. President, I will try to make my remarks brief, but I do feel that some of the remarks made by the distinguished Senator from Missouri should not go unanswered.

The Senator of Missouri has indicated that the courts are not equipped to try these types of cases. Under the Specter amendment, the District of Columbia courts would sit on these matters. He has indicated that courts do not have economists and do not have experts on trade matters. The court does not have experts of this sort in any type of case. When an economist testifies in court, he is not the court's economist. He is the plaintiff's economist and he can be answered by the defendant's economist.

This matter is very important to me because i think our courts must be open to correct wrongs. That is the purpose of a judicial system.

Sometimes we forget about our Constitution and we forget about the intent of the Founding Fathers.

I would like to read section 2 of article III of the Constitution of the United States. This section makes it clear that the Founding Fathers intended the judicial power of the United States to extend to foreign problems and foreign wrongs. It says:

SECTION 2. [1] The judicial Power shall extend to all Cases, in Law and Equity, arising under this constitution, the Laws of the United States, and Treaties made, or which shall be made, under their Authority;—to all Cases affecting Ambassadors, other public Ministers and consuls;—to all Cases of admiralty and maritime Jurisdiction;—to Controversies to which the United States shall be a Party;—to Controversies between two or more States;—between a State and Citizens of another State;—between Citizens of different States;—between Citizens of the same State claiming Lands under Grants of different States, and between a State, or the Citizens thereof, and foreign States, Citizens or Subjects.

I think our Founding Fathers anticipated that wrongs could come from foreign sources. Dumping is certainly a wrong. I think we ought to allow the courts to provide relief to those who have been wronged in the United States as a result of wrongs committed outside the United States. I certainly think that the Specter bill, which will allow the courts to be the source for the remedy that is needed here, is most appropriate.

Mr. RANDOLPH. Mr. President, I am pleased to join the distinguished Senator from Pennsylvania, Mr. SPECTER, in cosponsoring the Unfair Foreign Competition Act, and this amendment. I believe these provisions should be a component of any viable trade policy. We recognize our domestic needs, and we must act to enforce and strengthen our trade laws.

Today, as we debate the trade reciprocity legislation, I pledge my continuing support for fair trade policies that are essential to the preservation of basic industries in West Virginia. Many of our industries, steel, footwear, and glass, suffer from unfairly traded imports and those illegal actions are depriving Americans of their jobs and livelihood.

I believe in international trade that allows fair competition with our trading partners, and that provides relief from unfairly traded imports which devastate our Nation. With 21 percent unemployment in West Virginia, we cannot affort to continue allowing illegal imports to destroy our industrial and economic base, and terminate American jobs.

This measure would provide American industries suffering from illegally dumped imports direct access to the Federal courts for injunctive relief and compensatory damages.

Mr. President, the opposition to this amendment, expressed by the able Senator from Missouri, Mr. DANFORTH, has received my careful attention.

Passage of the proposal, in which I have joined the realistic Senator, Mr. SPECTER, and other colleagues, would be proof positive that legislators are determined that American industry and its varied essential products, do not go down the drain. We have been hit and hit hard by the unfair trade practices of many countries.

Those countries, I underscore, are coconspirators to bring into the

United States products that are manufactured at a cost which makes it impossible for the plants of the United States to fairly compete.

Subsidized products are encouraged and supported by these foreign governments. They fill our shelves and appeal in part to our unemployed workers who often buy such products because they have no jobs, because in a sense these individuals must clothe their children, and place food on the table.

I will understand the reasoning of the opposition, with which I am in sharp disagreement at this time, that we should continue to look into this intolerable situation. Delay is not what is needed now. Action. Action. Action is called for to reverse the enormous imports that are spelling doom and disaster on goods produced in this country.

Mr. DANFORTH. Mr. President, I move to table the amendment.

Mr. SPECTER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. HUMPHREY). 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 of the Senator from Missouri. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Tennessee (Mr. BAKER), the Senator from Mississippi (Mr. COCHRAN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Vermont (Mr. STAFFORD), the Senator from Wyoming (Mr. WALLOP), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from Ohio (Mr. GLENN), the Senator from Colorado (Mr. HART), and the Senator from Ohio (Mr. METZENBAUM) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 57, nays 32, as follows:

[Rollcall Vote No. 63 Leg.]

YEAS—57

Abdnor	Exon	Matsunaga
Baucus	Gorton	Mattingly
Bentsen	Grassley	McClure
Bingaman	Hatch	Mitchell
Boren	Hatfield	Moynihan
Bradley	Hawkins	Murkowski
Bumpers	Humphrey	Nickles
Burdick	Jackson	Nunn
Chafee	Jepsen	Packwood
Chiles	Johnston	Percy
Cranston	Kassebaum	Pressler
Danforth	Kasten	Proxmire
DeConcini	Lautenberg	Pryor
Dole	Leahy	Quayle
Domenici	Long	Roth
Durenberger	Lugar	Rudman
Simpson	Symms	Trible
Stennis	Thurmond	Warner
Stevens	Tower	Wilson

NAYS—32

Andrews	Garn	Mathias
Biden	Hecht	Melcher
Boschwitz	Heflin	Pell
Byrd	Heinz	Randolph
Cohen	Helms	Riegle
D'Amato	Hollings	Sarbanes
Denton	Huddleston	Sasser
Dixon	Inouye	Specter
Dodd	Kennedy	Tsongas
East	Laxalt	Zorinsky
Ford	Levin	

NOT VOTING—11

Armstrong	Glenn	Stafford
Baker	Goldwater	Wallop
Cochran	Hart	Weicker
Eagleton	Metzenbaum	

So the motion to lay on the table amendment No. 1194 was agreed to.

Mr. DANFORTH. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

Mr. HEINZ. Mr. President, I would like to look for a few moments at the rapidly changing international trading system and our changing role in it. If one looks at the trading world today as opposed to that of 20 or 30 years ago, one sees:

Advances in communications and transportation that create a true world market by giving our manufacturers new access abroad and similarly exposing them to new competition from abroad;

Increased importance of trade as a replacement for the domestic market both as a source of growth through exports and as a source of new pressures from foreign manufacturers likewise seeking such growth;

Greater awareness of unfair trade practices and barriers thanks to the MTN process, which labeled barriers, made them public, and created in people's minds the idea that they could seek redress either unilaterally through domestic law or multilaterally through the GATT;

The widespread failure of developed countries, including our own, to pursue adjustment policies for older industries and instead to maintain employment at any cost, a cost most often borne in the United States as it is exported here through subsidized and dumped production;

The growth in importance of non-Western trading partners whose economic policies and business methods are at variance with the essentially Western created and dominated postwar system;

The rapid growth of certain former LDC's such as Taiwan, Korea, and Hong Kong, without the assumption of new responsibilities concomitant with their new status.

All these trends remind us, Mr. Chairman, that the days are gone when the United States, as the world's dominant economic and political power, could make sacrifices to hold the system together at relatively little cost to itself. Power is more diffuse, and our direct economic stake in the trading system is greater. In short, times have changed, but we are failing to change our behavior with them.

One appropriate change is a more aggressive and determined pursuit of greater GATT discipline to facilitate the removal of barriers and improve the operation of the dispute settlement process. That is why Senator Danforth and I have been pursuing reciprocity legislation for more than a year.

Another necessary part of our comprehensive strategy must be a continuation and refinement of programs to help the victims of economic and social change. I will speak in a few moments about the need for a more coordinated Federal approach to industrial adjustment, but even as we are taking a hard look at the future of entire sectors, we cannot ignore the plight of the individual worker caught up in the midst of change, or of the thousands of smaller businesses often left behind by bureaucrats concentrating on the squeakiest wheels.

Senator MOYNIHAN and I recently introduced legislation to renew the trade adjustment assistance programs for workers and firms in an effort to provide that Government focus on the individual and the smaller firm.

These programs, frankly, have not worked that well in the past. I have been introducing legislation to reform the programs since 1977. In 1978, reform legislation passed both Houses of Congresses but finally died the last day of the 95th Congress. Since that time it has been an uphill battle even to preserve current law, as the cost of the program has grown and the current administration has targeted it for significant budget cuts.

The aim at this target is the height of irony in view of the administration's oft-expressed free trade philosophy. Reliance on the market system, internationally or domestically, is the best way to achieve the most efficient allocation of resources. It is not, however, the most painless, particularly when other countries are postponing necessary adjustment in their economies by maintaining employment through subsidies and effectively exporting their economic problems to countries with open markets, like ours.

A necessary adjunct to any free trade philosophy, it seems to me, is a program to help the victims of economic change that that policy creates. The alternative is to succumb to the same kind of protectionism that has plagued the European Community in its older industries for years. In short, without an adjustment program we

give our workers nowhere to go but the Congress and nothing to ask for but protection. Maintenance of a strong and effective adjustment assistance program can solve that dilemma and help keep our free trade policy intact.

Another irony in the current state of affairs is the administration's effort to destroy, first through a deferral and now by nonrenewal, the adjustment assistance program for firms. This program, which has also had past difficulties with some of its loans, has in recent years been concentrating on providing technical assistance to smaller firms through a highly effective set of regional trade adjustment assistance centers (TAAC's), whose staff works with small companies in trouble to try to identify their particular problems and offer solutions in the form of technical assistance and advice, referrals to experts, and, in some cases, loans and loan guarantees.

Once the Department of Commerce has certified a firm as eligible according to import injury criteria, a trade adjustment assistance center conducts an analysis to help the business adjust to changing market conditions, either by improving the business' efficiency by identifying its strengths and weaknesses, mapping out new market strategy, or by determining alternative ways to expand or redirect production.

Clearly, this is no bailout program with short-term benefits and long-term costs that the President has repeatedly scorned. In fact, by providing an alternative to imposing tariffs to protect domestic industry, the TAA program helps enable us to pursue a policy of free international trade.

I want to emphasize that this relatively small program for small businesses is successfully dealing with an increasingly large problem. A startling number of businesses from many areas of the United States have been disrupted by the influx of imported products. Two years ago, a Department of Commerce study reported that in 50 States, there are 48,000 firms employing over 4,000,000 people in industry sectors impacted by imports.

Certain States, of course, feel the crunch more severely than others. California, New York, Pennsylvania, and Illinois have around 3,000 affected firms. Ohio, Texas, Massachusetts, Michigan, New Jersey, and Indiana all have more than 1,000 affected firms. Florida, Minnesota, Tennessee, Georgia, Oklahoma, and South Carolina suffer from this problem as well.

To date, through the work of our country's 12 TAAC's, 20 different industries have learned to help themselves combat the import problem. Collectively, TAA has served 2,737,000 people in 26,348 firms, that account for $158,445,000,000 a year in shipments, with $77,648,000,000 value added.

Furthermore, the TAA program is cost effective. For example, as of 1981, the Mid-Atlantic TAAC had worked with 1,255 firms, with an estimated average of 96 employees each. For these 120,000 employees, the average cost per person of the technical assistance portion of the program's budget was $150 per head—less than 1 week of unemployment compensation. The entire program's budget was $416 per head. No jobs program—regardless of whether it's planned by Republicans or Democrats, Congress or the President—can offer this kind of low price tag.

Finally, even if we were to accept the administration's claim that TAA money is needed to cover defaults on Government loans, we would be faced with yet another contradiction. While TAA does combine financial assistance with its technical guidance, TAA shows many firms seeking Government loans other ways to gather working capital. TAAC's have also been successful in obtaining loans from the private sector.

Beyond specific adjustment programs for individual workers and firms, however, we also need to look long and hard at the performance of a number of aging and hard-pressed industries, and develop a better means of helping them to come to terms with changing economic realities.

And that is why on March 18 I introduced the Industrial Revitalization Act, S. 849, which establishes a mechanism which is consistent with our free-market system; which includes import relief as an element; but which makes such relief contingent on the recipient industry also taking stock of itself and preparing a plan for dealing with its other problems.

S. 849 is an amendment to the escape clause important relief process contained in sections 201-3 of the Trade Act of 1974. An industry perceiving itself hurt by imports would file a petition with the International Trade Commission, as under current law.

After 45 days, the Commission would vote preliminarily on whether injury had occurred or was threatened, as it now does in unfair trade practice cases. The injury standard will be the same standard as is presently applied in antidumping and countervailing duty cases. A negative vote would terminate proceedings. An affirmative vote, on the other hand, would have no immediate consequences for imports, but it would trigger the procedure for developing an adjustment plan for the industry.

That process would begin with the creation of a plan preparation committee, chaired by the ITC Commissioner, consisting of representatives of labor and management from the petitioning industry along with representatives of the Departments of Commerce and Labor, as well as Agriculture, if appropriate.

This is, essentially, a tripartite structure which will develop an adjustment plan for the industry. The plan can include—but is not limited to—coordinated and/or phased reductions in capacity; technological improvements; investment plans with or without Government assistance; product/design changes; productivity improvements; management improvements; cost reductions; and relief from other Government regulations.

Let me make clear I am not talking about a cosmetic plan designed only to open the door to import relief without making any real demands on the industry. I am talking about sincere and determined effort to make some changes to revitalize the industry. They could include changes in management, changes in contracts with labor that could involve concessions on the latter's part; relief from various burdens imposed by law or Government, shared research and development projects to develop new technologies and/or marketing strategies, and cooperation on industry restructuring, including phasing down, if necessary. The bill contains an antitrust exemption or the latter purpose.

Any plan that is developed must be agreed to by all three of the represented parties—labor, management, and Government. Only after such agreement is reached will the ITC vote on import relief.

Following the Commission vote, the President is required to implement the recommended relief without change. There is no Presidential discretion, no interagency process, and no development of political compromises, which have made the escape clause process so ineffective over the past 9 years. The International Trade Commission is the institution determined by Congress to be best equipped to determine injury and develop appropriate import remedies for a petitioning industry, and it is those recommendations that will prevail in the system I am proposing.

Of course, various portions of the adjustment plan may prove impossible to implement. One of the parties may renege. A new union contract, for example, may be voted down by the membership. The Government, upon second thought, may refuse to take administrative actions that are part of the plan. Congress may decline to act on legislative proposals. In addition, even if implemented, the plan may not work.

In those circumstances, S. 849 provide for revocation of the import relief by the ITC, upon request of the President or one of the parties to the original proceeding, on the grounds that it had not been adhered to in some material way by one or more of the parties.

Lack of success of the plan would not be grounds for revocation. The bill also creates a plan implementation review board within the Commerce Department for each such plan, whose duties would be to monitor the plan, propose necessary administrative actions or legislation to implement it, which legislation would be considered under "fast track" procedures in the Congress, or, after 1 year, to propose changes in it.

I want to make clear this is a draft, subject to further revision. My purpose in introducing it is to try to stop the cycle of requests for import relief followed by inadequate and in complete Government responses that have characterized the past 10 years for some industries. Without reform, the cycles will continue, and industry will never make any real progress. Without ignoring the legitimate problem of imports, we must nonetheless move industrial problems into a larger context and do a better job at integrating import relief into a comprehensive approach to industry revitalization and adjustment.

I believe the Industrial Revitalization Act does that. More importantly, it does it without giving to Government an overall central planning role that would inevitably distort the free-market system, as it has done in so many other countries. That is not to suggest, however, that this is the only such approach, or even that this approach is efficient in all its details. For that reason I am circulating this bill widely for comment, from both Government and the private sector. Through that process we can perhaps begin to develop what we have not thus far had—a comprehensive and thoughtful approach to industries bearing the brunt of economic and social change.

Mr. METZENBAUM. Mr. President, I commend Senator DANFORTH for providing an opportunity for those of us concerned about the retraining of trade impacted workers to address that issue today. I know he shares our concern and his willingness to hold hearings on the subject later this year demonstrates his continued leadership in the area.

There are many proposals to strengthen the U.S. trade laws. But the fact is that no matter what we pass here, no matter what quotas are established in the future, no matter how much money we give to ailing firms, many of today's unemployed workers—and those threatened by layoffs in the future—will not be able to return to their old jobs.

We have an obligation to help these people. The issue of which country or which practice cost them their jobs is almost irrelevant. What is important is to recognize that the world trade order is changing; the international economy is changing and the U.S. economy is changing. American workers must not be left behind. The Congress must help give then the tools to fill the jobs of the eighties and beyond. If we fail to do so, we may well undermine our desperate drive to effectively compete in the world economy of the future.

Unfortunately, current trade laws are inadequate to give those Americans hurt by imports the opportunities they deserve. There is a trade adjustment assistance program on the books. But it has become an empty shell as Congress and the administration chipped away its funding and structure.

Frankly, even in its heyday, the TAA program had deficiencies. In particular, it failed to condition adjustment assistance on enrollment in a retraining program. Thus, it led to far less actual "adjustment" than was intended.

I have offered a proposal to rewrite the trade adjustment program. It would for the first time create a program which would truly lead to the retraining of millions of workers in trade impacted industries. This proposal has several new features that distinguish it from the current program.

First, it would earmark one-third of all tariff revenues to be placed into a retraining trust fund administered by the Department of Labor. This approach clearly establishes the principle that those who are causing industry dislocation, the importers, should pay for the cost of readjustment.

Second, the bill would require individuals to enter qualified retraining will not receive any funds under this program.

Participants would be eligible for 2 years of retraining and would also receive subsistence funds equal to their unemployment compensation levels for the entire period that they are engaged in retraining. This money would be drawn from the trust fund, not the unemployment insurance fund.

Assuming that it would cost $15,000 per worker per year for retraining and subsistence, this bill would assist 200,000 workers in the first year alone.

Workers would be certified for the program if the industry in which they work has won a positive finding from the International Trade Commission (ITC) under section 201, regardless of whether the ITC relief is implemented, or through a firm by firm certification with the Department of Labor.

Rather than create a new bureaucracy to determine qualified retraining programs, the bill would rely on the private industry councils created by the Job Partnership and Training Act to accredit retraining programs. JPTA already requires them to perform this function.

Finally, the bill would encourage industries to relocate to trade impacted areas by authorizing the trust fund to pay the costs of retraining programs required by the company. This incentive will hopefully help create jobs for those individuals going through retraining.

There are other approaches to trade adjustment assistance. I am already looking at possible revisions in the legislation I introduced. I am open to all ideas. But I am deeply committed to the principle of trade adjustment assistance. I am grateful that Senator DANFORTH shares this commitment. I look forward to working with him over the next few months to develop a responsible and effective program.

Mr. MOYNIHAN. Mr. President, I am pleased to join my distinguished colleagues in bringing to the Senate's attention the importance of the trade adjustment assistance program.

Trade adjustment assistance represents a commitment made to the American worker two decades ago at the time of the Kennedy round of multilateral trade negotiations. We recognized then that while a policy of free trade is essential to a healthy and vigorous domestic economy, important segments of the work force are adversely affected by import competition. Trade adjustment assistance is for these workers.

The current administration, I regret to say, has shown little interest in TAA and in fact has proposed to let it expire at the end of this fiscal year. I do not think the Finance Committee will let this happen. Senator HEINZ and I have introduced legislation (S. 749) reauthorizing trade adjustment assistance through 1989. Senator METZENBAUN has also introduced legislation, and I know that Senators DANFORTH and BRADLEY are committed to extension of this vitally important program. I hope our committee moves expeditiously on this matter.

Mr. President, I would like to briefly comment on a recent Department of Labor action. On April 4, the Department rejected a petition for trade adjustment assistance filed by 1,500 unemployed steelworkers at the Republic Steel Corp. plant in Buffalo, N.Y. This news came as a shock to the western New York community, and I understand the Republic workers will be refiling a TAA petition. I trust the Department of Labor will give this new petition the close scrutiny it deserves and will certify the Republic workers.

We must reaffirm the commitment we made to working men and women 20 years ago with trade adjustment assistance. We cannot let TAA die. I look forward to working with my colleagues and producing a strong, effective trade adjustment assistance program.

AMENDMENT NO. 1195

(Purpose: To express the sense of the Congress that the Secretary of Agriculture should promptly call for a section 22 study on honey imports, and for other purposes)

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

The PRESIDING OFFICER. The question recurs on the first committee amendment.

Mr. DANFORTH. Mr. President, I ask unanimous consent that it may be in order for the Senator from South Dakota to offer his amendment.

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

The amendment will be stated.

The bill clerk read as follows:

The Senator from South Dakota (Mr. PRESSLER), for himself, Mr. BAUCUS, Mr. JEPSEN, and Mr. DOLE proposes an amendment numbered 1195.

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

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

The amendment is as follows:

At the appropriate place in the bill, insert the following:

SEC. . (a) The Congress finds that—

(1) in 1976 the International Trade Commission found that honey imports threatened serious injury to the domestic honey industry and recommended action to control honey imports,

(5) the domestic honey industry is essential for production of many agricultural crops,

(6) a significant part of our total diet is dependent directly or indirectly on insect pollination,

(7) it is imperative that the domestic honey bee industry be maintained at a level sufficient to provide crop pollination.

(b) It is the sense of the Congress that—

(1) the Secretary of Agriculture should promptly request the President to call for an International Trade Commission investigation of honey imports, under section 22 of the Agriculture Adjustment Act.

Mr. PRESSLER. Mr. President, this amendment has been agreed to on both sides.

My amendment calls for a section 22 International Trade Commission investigation of the impact of honey imports on the domestic beekeeping industry. The amendment expresses the sense of the Senate that the Secretary of Agriculture should promptly call for a section 22 study of honey imports.

In recent years, honey imports have dramatically increased to the point that 38 percent of the honey consumed in the United States is imported, and imports equal over 40 percent of domestic production. In 1982, honey imports equaled 92 million pounds. These imports have displaced large quantities of domestic honey. The Department of Agriculture acquired 6 million pounds of surplus 1980 crop honey, 38.7 million pounds of surplus 1981 crop honey, and an estimated 60 million pounds of 1982 crop honey will be forfeited to USDA. The cost of acquiring 60 million pounds would be $36 million plus any storage, handling, and processing costs that may be incurred. In recent years, domestic honey production has remained constant. In fact, honey production is limited by the amount of pollen available.

A previous sharp increase in honey imports led the honey industry to petition for an ITC study which was completed in 1976 and recommended that a tariff-rate quota be imposed. Unfortunately, the ITC recommendation was not followed and the domestic honey industry has been adversely affected. American beekeepers are unable to sell their honey because of low-priced, subsidized honey imports, so they place their honey crop under Government loan. When the loans come due, the beekeepers forfeit the honey to the CCC which stores the honey. The increase in honey imports has made the honey loan program ineffective and has increased dramatically the cost of the program.

The increased honey imports are also threatening the continuation of the domestic beekeeping industry. The honeybee is an essential element in American agriculture and the economy. Honeybees pollinate many agricultural crops. Approximately 90 crops grown in the United States are dependent on bees to some extent for pollination. The estimated value of the crops pollinated by bees varies widely. If you consider only the fruit, vegetables, and seeds resulting from bee pollination in the United States, the estimated value would be $10 to $15 billion.

However, the importance of bees goes far beyond the crops directly benefiting from bee pollination. In fact, it has been estimated that almost one-third of our total diet comes directly or indirectly from insect-pollinated plants. With food costs in the United States at over $100 billion annually, it is clear that bees are vital to the American public. Without the honeybee to pollinate crops, the diet of American consumers would be limited to nuts, cereal grains, and meat. The cost of meat products would also increase without the honeybee. An active beekeeping industry is essential to continued agricultural productivity in the United States.

My amendment, calling for an International Trade Commission study under section 22 of the Agricultural Adjustment Act, is within the authority of the General Agreement on Trade and Tariffs. The study and any subsequent action should not cause any international problems because it is action within the authority of GATT.

Mr. President, I urge my colleagues to join me in support of this amendment to help protect the domestic honey industry and the entire agricultural sector.

Mr. BYRD. Mr. President, will the Senator state in one sentence what his amendment does?

Mr. PRESSLER. My amendment calls for a section 22 investigation of the impact of honey imports on the domestic beekeeping industry.

Mr. BYRD. We have a great beekeeping industry in Preston County, W. Va.—some of the finest honey anyone can find anywhere.

I should like my name to be added as a cosponsor of the amendment.

Mr. PRESSLER. Mr. President, I am honored to ask unanimous consent to have the name of the minority leader added as a cosponsor of the amendment.

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

Mr. DANFORTH. Mr. President, the amendment is agreeable to this side.

Mr. BENTSEN. There is no objection on this side.

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

The amendment (No. 1195) was agreed to.

AMENDMENT NO. 1196

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

The PRESIDING OFFICER. The Chair informs the Senator from Louisiana that the question recurs on the first committee amendment.

Is there objection to laying aside the committee amendment? The Chair hears none, and it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. LONG) proposes an amendment numbered 1196.

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

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

The amendment is as follows:

On page 24 of the bill at line 5 after the word "sector;" add the following:

"For purposes of the collection and analysis required by this subsection, and for the purposes of any reporting the Department of Commerce makes to the Congress of the United States, such collection and reporting shall distinguish between income from investment and income from non-investment services."

Mr. STEVENS. Mr. President, will the Senator yield to me for a moment?

Mr. LONG. I yield, reserving my right to the floor.

Mr. STEVENS. Mr. President, the distinguished Democratic leader and I have discussed this, and to our knowledge, this is the last amendment, except for the Cohen amendment. We know of no other amendments.

Are there any other amendments? It is my understanding that Senator

COHEN will take about an hour. Is that right?

Mr. COHEN. Probably less.

Mr. STEVENS. There is no knowledge of any other amendments on either side. It is the assumption of the leadership that the Cohen amendment will be the last vote before final passage. If that is the case, we will not be in tomorrow and will have a pro forma session Monday, if final passage follows the disposition of the Cohen amendment.

I thank the Senator from Louisiana.

Mr. LONG. Mr. President, this amendment seeks to provide in section 6(b) of the bill that for the purposes of reporting to the public and Congress on trade in "services," the administration be required to distinguished between income from investment and noninvestment services.

In my judgment, this is necessary in order that both the public and Congress can better understand how well we are making out in our trade-in services.

We really should have a better breakdown so we can see which is which and better tell how well we are doing in the trade in services.

In the past, there has been substantial confusion about the state of the U.S. current account because of the way in which "services" are reported.

Income to a person in the United States who invests his money abroad is counted as an export of a service, and that income is included in the so-called services account of the U.S. national accounts along with income from other services, such as engineering advice, banking, and insurance. However, in my view, income from investment is fundamentally different from income for providing other services because the investment abroad provides jobs abroad whereas providing services from the United States provides jobs here. In 1980, for example, U.S. total exports of goods and services on a gross national product basis was $339.8 billion, our imports were $316.5 billion, for a net surplus of $23.3 billion. Of that, services other than investment earned a net surplus of only $5.9 billion, where as earnings on private investment that were repatriated earned $31.9 billion. I think it is important for the American public to realize that our net surplus on services is not $23 billion, but only about $6 billion. Therefore, I propose that in reporting to the Congress or the public on international trade in services, the administration be required to distinguish between investment income and noninvestment service income.

Mr. President, I discussed this matter with the distinguished author of the bill, the Senator from Missouri. He indicates that he finds no objection to the amendment. So far as I know there is no objection on this side of the aisle.

Mr. DANFORTH. Mr. President, the amendment is acceptable on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment (No. 1196) was agreed to.

Mr. LONG. I thank the Senator.

The PRESIDING OFFICER. The question occurs on the first committee amendment.

Mr. DANFORTH. Mr. President, I ask unanimous consent that it might be in order at this time for the Senator from Maine to be recognized for the purpose of offering an amendment.

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

AMENDMENT NO. 1197

(Purpose: To provide small businesses access to trade remedies)

Mr. COHEN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The bill clerk read as follows:

The Senator from Maine (Mr. COHEN) proposes an amendment numbered 1197.

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

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

The amendment is as follows:

At the end of page 29, add the following:

SEC. . CONGRESSIONAL FINDINGS.

The Congress finds that—

(1) since obtaining relief under existing domestic trade remedies is complex and expensive due to legal costs, documentation requirements for petitions, and judicial review, such remedies are unavailable to most small businesses;

(2) existing trade remedies are unavailable to producers of perishable commodities because of the length of the normal proceedings;

(3) more weight should be given to regional economic impact in proceedings under section 201 of the Trade Act of 1974.

SEC. . ESTABLISHMENT OF SMALL BUSINESS TRADE ASSISTANCE OFFICE.

(a) ESTABLISHMENT OF OFFICE.—There shall be within the Department of Commerce a Small Business Trade Assistance Office (hereinafter in this section referred to as the "Office") administered by a Director.

(b) FUNCTIONS OF OFFICE.—

(1) INFORMATION AND PETITION ASSISTANCE.—The Office shall—

(A) provide full information to small businesses concerning—

(i) remedies and benefits available to them under the trade laws, and

(ii) the petition and application procedures, and the appropriate filing dates, with respect to such remedies and benefits; and

(B) provide assistance to small businesses in preparing petitions and applications to obtain such remedies and benefits.

(2) ASSISTANCE IN PAYING REASONABLE PROCEEDING EXPENSES.—

(A) IN GENERAL.—The Director of the Office shall establish and maintain a system for paying reasonable expenses incurred in connection with any proceeding described in paragraph (1) by any small business which the Director determines to be in need of assistance in paying such expenses.

(B) LIMITATION ON AMOUNT.—With respect to any proceeding, awards for reasonable expenses under subparagraph (A) shall be made for—

(i) 100 percent of such expenses to the extent not in excess of $50,000, and

(ii) 50 percent of such expenses to the extent in excess of $50,000.

(C) NO EXPENSES FOR FRIVOLOUS, ETC., ACTIONS.—No award shall be made under this paragraph with respect to any action which the Director of the Office determines to be frivolous or to have been initiated for purposes of harassment or delay.

(D) TIME OF PAYMENT.—Payments may be made under subparagraph (A) with respect to any proceeding only after determinations made in such proceeding have become final and no longer appealable.

(3) DEFINITIONS.—For purposes of this subsection—

(A) REASONABLE EXPENSES.—The term "reasonable expenses" includes attorneys' fees and expenses for data collection.

(B) SMALL BUSINESS.—The term "small business" means—

(i) a small business concern (within the meaning of section 3 of the Small Business Act) that produces or manufactures goods, or

(ii) an association substantially all of the members of which are small business concerns (as so defined) that produce or manufacture goods.

(d) ANNUAL REPORTS.—The Director of the Office shall submit an annual report on the operation of the Office to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives. Such report shall include a recommendation of legislation which is necessary to enable the Office to carry out its functions.

(e) ESTABLISHMENT OF SMALL BUSINESS TRADE ACCENT TRUST FUND.—

(1) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the Small Business Trade Access Trust Fund (hereinafter in this section referred to as the "Trust Fund"), consisting of such amounts as may be transferred or credited to the Trust Fund as provided in this section or otherwise appropriated to the Trust Fund.

(2) TRANSFER TO TRUST FUND OF AMOUNTS EQUIVALENT TO CERTAIN CUSTOMS DUTIES.—

(A) IN GENERAL.—The Secretary of the Treasury shall transfer to the Trust Fund out of the general fund of the Treasury of the United States amounts determined by the Secretary of the Treasury to be equivalent to amounts received into such general fund that are attributable to countervailing duties and antidumping duties imposed under title VII of the Tariff Act of 1930 (19 U.S.C. 1671, et seq.).

(B) METHOD OF TRANSFER.—The amounts which are required to be transferred under subparagraph (A) shall be transferred at least quarterly from the general fund of the Treasury of the United States to the Trust Fund on the basis of estimates made by the Secretary of the Treasury of the amounts referred to in subparagraph (A) that are received into the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(3) MANAGEMENT OF TRUST FUND.—

(A) REPORT.—It shall be the duty of the Secretary of the Treasury to hold the Trust Fund, and to report to the Congress each year ending on or after September 30, 1984, on the financial condition and the results of the operations of the Trust Fund during the preceding fiscal year and on its expected condition and operations during the fiscal year and the next 5 fiscal years after the fiscal year. Such report shall be printed as a House document of the session of the Congress to which the report is made.

(B) INVESTMENT.—

(i) IN GENERAL.—It shall be the duty of the Secretary of the Treasury to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-hearing obligations of the United States. For such purpose, such obligations may be acquired—

(I) on original issue at the issue price, or

(II) by purchase of outstanding obligations at the market price.

(ii) SALE OF OBLIGATIONS.—Any obligation acquired by the Trust Fund may be sold by the Secretary of the Treasury at the market price.

(iii) INTEREST; PROCEEDS FROM SALES AND REDEMPTIONS.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

(4) AVAILABILITY OF TRUST FUND.—Amounts in the Trust Fund shall only be available for making expenditures, as provided by appropriations Acts, to carry out the program established under subsection (b)(2).

(f) EFFECTIVE DATE.—The provisions of this section shall apply to fiscal years beginning after September 30, 1983.

SEC. . FACTORS TAKEN INTO ACCOUNT TO DETERMINE MATERIAL INJURY.

(a) IN GENERAL.—Section 771(7) of the Tariff Act of 1930 (19 U.S.C. 1677) is amended by adding at the end thereof the following new subparagraph:

"(F) SPECIAL RULES FOR SMALL BUSINESSES.—

"(i) IN GENERAL.—In any case in which the petitioner is a small business, the Commission, in making any determination as to material injury, shall consider the separate circumstances of the petitioner, including the fact that information may or may not be available to different petitioners by reason of different resources or otherwise.

"(ii) SMALL BUSINESS DEFINED.—For purposes of this paragraph, the term 'small business' means—

"(I) a small business concern (within the meaning of section 3 of the Small Business Act), or

"(II) an association substantially all of the members of which are small business concerns (as so defined).".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to petitions filed on or after the date of the enactment of this Act.

SEC. . REGIONAL IMPACT TO BE TAKEN INTO ACCOUNT.

(a) IN GENERAL.—Subsection (c) of section 202 of the Trade Act of 1974 (19 U.S.C. 2252) is amended—

(1) by striking out "and" at the end of paragraph (8);

(2) by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and"; and

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

"(10) in any case in which the petitioner is a small business (within the meaning of section 771(7)(F)(ii) of the Tariff Act of 1930)—

"(A) the general economic situation (including employment levels and opportunities) in the major geographic area (within the meaning of section 201(b)(3)(C)) in which the small business is located;

"(B) the impact of fluctuations in exchange rates on any industry in such major geographic area; and

"(C) the ability of any such small business to adjust by converting to alternative product lines.".

"(b) EFFECTIVE DATE.—The amendments made by this section shall apply to petitions filed on or after the date of the enactment of this Act.

SEC. . SPECIAL PROCEDURES FOR PERISHABLE PRODUCTS.

"(a) IN GENERAL.—Chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 204. SPECIAL RULES FOR PERISHABLE PRODUCTS.

"(a) If a petition is filed under section 201 in connection with any perishable product, the petitioner may at any time file with the Secretary of Agriculture a petition under this section for emergency action.

"(b) Within 14 days after a petition has been filed under subsection (a), the Secretary of Agriculture shall make a determination as to whether there is reason to believe the perishable product is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry producing a perishable product like or directly competitive with the imported product.

"(c)(1) If the Secretary of Agriculture makes an affirmative determination under subsection (b), he shall recommend to the President emergency action to be taken.

"(2) If the Secretary of Agriculture does not make an affirmative determination under subsection (b), he shall publish notice of his determination and notify the petitioner.

"(d) Within 7 days after receipt of any recommendation under subsection (c)(1), the President shall—

"(1) issue a proclamation ordering relief consisting of such actions as are described in section 203 and as he determines necessary, or

"(2) publish notice of his determination not to take action.

"(e) Action taken under subsection (d)(1) shall cease to apply—

"(1) upon a determination by the President to provide (or not to provide) relief in connection with a petition filed under section 201 with respect to the perishable product,

"(2) on the date the Commission makes a negative determination under section 201(b) with respect to such a petition, or

"(3) whenever the President determines such relief is no longer warranted as a result of changed circumstances.

"(f) Any petitioner may, after a negative determination under subsection (c)(2) or (d)(2), file another petition under this section with respect to such product—

"(1) within 90 days of such determination, or

"(2) at any earlier date in the case of changed circumstances.

"(g) For purposes of this section, the term 'perishable product' means—

"(1) fresh or chilled vegetables provided for in items 135.10 through 138.42 of the Tariff Schedules of the United States;

"(2) fresh mushrooms provided for in item 144.10 of such Schedules;

"(3) fresh fruit provided for in items 146.10, 146.20, 146.30, 146.50 through 146.62, 146.90, 146.91, 147.03 through 147.33, 147.50 through 149.21, and 149.50 of such Schedules; and

"(4) fresh cut flowers provided for in items 192.17, 192.18, and 192.21 of such Schedules.".

"(b) CONFORMING AMENDMENT.—The table of sections for chapter 1 of title II of the Trade Act of 1974 is amended by adding at the end thereof the following new item:

"Sec. 204. Special rules for perishable products.".

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply to petitions filed after the date of the enactment of this Act.

Mr. COHEN. Mr. President, I am offering an amendment to S. 144, the Reciprocal Trade Investment Act of 1983, designed to improve the ability of small businesses to obtain relief under our trade laws. The amendment would provide assistance within the Commerce Department for small industries, reduce the cost of trade relief petitions and reduce the length of trade proceedings for producers of perishable commodities.

Small businesses—which are most vulnerable to the effects of foreign competition—too frequently find our trade remedies costly, complex, and ultimately illusory. In my experience as a Member of the House of Representatives and now as a Senator, I have seen time and time again Maine industries seeking relief from foreign imports, relief to which they are entitled under our trade laws. Time and time again, they have been denied relief because of bureaucratic indifference, lack of resources, or other reasons unrelated to the merits of a case.

Industries without legal and financial resources, and with little voice in trade policy, are clearly in need of assistance to deal with the complexities of the trade relief process. The amendment I am introducing today has been carefully crafted with this objective in mind, while still fully honoring our international trade obligations under the General Agreement on Tariffs and Trade. Specifically, the amendment would: First, establish an office in the Department of Commerce to provide assistance during all phases of trade relief cases for small businesses, including reimbursement of a portion of reasonable costs; second, provide a horticultural fast-track system to shorten the time necessary to process cases involving perishable commodities; third, require the International Trade Commission to consider differing circumstances and resources of small businesses in documenting material injury determinations; and fourth, require the President to give more weight to regional considerations

when small businesses petition the Government under section 201 of the Trade Act of 1974.

In November 1981, I chaired a hearing of the Subcommittee on Oversight of Government Management to examine these problems in greater detail. At that hearing, testimony was offered from a wide variety of small businesses on their experience with the U.S. trade laws. This amendment is the product of these hearings and it is designed to resolve the most difficult problems facing small businesses seeking trade remedies: Access, speed, and cost.

The first problem facing any small business considering a trade remedy petition is cost. The trade remedies available to a would-be petitioner are complicated in the extreme and a tour through the process, at the hand of an experienced trade attorney, can easily run to $200 an hour. It is not at all unusual for costs associated with a trade remedy petition to run as high as $100,000 to $150,000.

At present, the Maine potato industry is in the process of filing a trade relief petition alleging unfair trade practices by Canada. With an annual budget of $80,000 to $100,000, the industry will be hard pressed to finance this case.

Another problem related to pursuing trade remedies is the simple collection of proper data. For example, although our trade laws allow for the filing of countervailing duty cases on a regional basis, the Federal Government does not collect its trade data region by region. The regional petitioner, therefore must either collect this information himself, which, for most industries, is impossible or use the information available from the import country. At the hearing in November, many witnesses who were affected by Canadian imports testified that they had no choice but to use Canadian information in order to complete petitions alleging unfair trade practices by the Canadians.

Still another problem related to data collection is that there is an insufficient accounting for imported items as they pass through customs posts. Furthermore, the standards that the Federal Government uses to collect trade information frequently bear little, if any, relation to the practices of the industries from which they are collected.

In the case of small agricultural industries, the data collection problems are particularly acute. Since wide price fluctuations are commonplace in agricultural markets, it is almost impossible to sort out the effects of imports on our domestic agricultural markets. At one time, when the Maine potato industry sought to pursue trade remedies against Canadian imports, it was compelled to hire an economist to assist it. Even then, the economist concluded that, although the industry has been harmed by the imports, it was impossible to document the injury.

In sum, Mr. President, although the Trade Agreements Act of 1979 intended that the Commerce Department assist trade petitioners in gathering trade information that was not reasonably available to them and provided further that in determining whether information is reasonably available the Commerce Department takes into account the circumstances of each individual petitioner, the data is either not available in a usable form or not available at all. In fact, the International Trade Commission sends out a standard industry questionnaire to document injury determinations regardless of its relevance to a particular case.

A second important problem that afflicts small businesses is that the entire trade relief process is tailored for the benefit of large rather than small businesses. At the Tokyo Round of Multilateral Trade Negotiations, for example, the Private Sector Advisory Committees, which made recommendations about negotiating priorities for various sectors of the economy, were largely composed of representatives of large corporations. It is not surprising that given this representation the trade remedies are most suited to our larger industries.

For proof of the perspective of general U.S. trade policy, one need look no further than statistics on trade petitions. Of the 23 countervailing duty cases pending at the beginning of 1982, 17 were filed by representatives of steel companies and another was filed by a chemical company. Similarly, 10 of the 14 cases pending under our antidumpig laws were steel cases and, of the remaining 4, 1 was filed by a representative of the high technologies electronics industry.

Mr. President, the amendment I am introducing today would reach the problems I have just raised in several ways. It would create within the Department of Commerce a Small Business Trade Assistance Office. This office would assist small businesses in any proceedings related to the administration of our trade laws. The office is intended to provide the flexibility and receptivity that has been lacking in the existing bureaucratic framework. The office is charged with tailoring its assistance to meet the needs of a particular industry and to adapt the kind of information that is appropriate to the situation. The simple existence of the office would build within the Commerce Department an expertise in dealing with small businesses that have been affected by imports. In this respect, my amendment would give effect to the congressional intent embodied in the Trade Agreements Act of 1979 where the Commerce Department as the authority under the act was directed to allocate adequate resources to countervailing duty investigations. Despite this directive the Commerce Department expertise in assisting small businesses in these or any other kinds of remedial actions is sadly lacking.

The amendment I am introducing would also provide financial assistance to small business petitioners. The Federal Government would defray the first $50,000 of the small business petitioner's reasonable costs and expenses. Any expenses incurred in excess of this amount would be shared equally by the Federal Government and the petitioner. This method of cost sharing would bring trade remedies within the reach of small businesses, while at the same time insuring that they have a financial stake in the proceedings that is sufficient to discourage frivolous claims.

My amendment also provides for a horticultural fast-track system for perishable commodities. If any industry filing a petition under section 201 of the Trade Act of 1974 markets perishable products, the petitioner may file with the Secretary of Agriculture to request emergency action. The Secretary of Agriculture would then have 14 days to make a determination that the imports are causing, or could cause, serious injury to the domestic industry. If the Secretary makes a favorable determination, he would then recommend action to the President. The President, in turn, would have the option to impose the relief he feels is appropriate. In the event that the President chose to recommend no relief, he would be required to provide his rationale for not taking action. This process would not jeopardize, in any way, the ITC 201 proceeding; they would, instead, go on simultaneously.

I believe that this provision is necessary to assist small horticultural industries which find it difficult to plan their next marketing season without more immediate assessment of the import situation than is available under current law. Also, this provision has been carefully written so that an injury determination is made before any relief is imposed, in order to meet our GATT obligations.

Special provision for perishable commodities is not a new concept. The Trade Agreement Extension Act of 1951 contained a section giving the Department of Agriculture and the International Tariff Commission additional authority to meet the needs of perishable commodities.

One of the most burdensome parts of the trade remedy process is the material injury determination by the ITC for countervailing duty and antidumping cases. This amendment would add a section to mandate the special circumstances that should be considered for small businesses in the information-gathering process. Substitutions

should be made wherever possible to coincide with industry practices.

The amendment that I am proposing today also requires the President to consider regional impacts when ruling on the recommendations of the ITC in section 201 cases filed by small businesses. The President would have to consider the employment levels in a region, alternative job opportunities, and the ability of the industry to switch into alternative product lines. In addition, the President would be required to consider the impact that fluctuating exchange rates have on the small industry. The border States are the first to feel the effects of exchange rate fluctuations. I am not suggesting that exchange rate policy be changed in any way, but only that the impact on the industry be considered in making import relief determinations.

In recent years, the President has consistently overruled the recommendation of the International Trade Commission in section 201 cases. Out of 45 cases filed since the passage of the 1974 act, only 9 have resulted in import relief. I feel that this provision will improve the chances for small industries to get relief by mandating special consideration for them.

Mr. President, the amendment I am introducing today is fully consistent with the General Agreement on Tariffs and Trade and the statutes Congress has enacted to implement our trade policy. Through my amendment we will keep faith with the small businesses of America, which constitute the bulk of all businesses in our national economy. We will open to them the trade remedy process and, in so doing, will insure that they are not unfairly precluded from obtaining relief, when that relief is appropriate, by obstacles unrelated to the merits of their cases.

This amendment is long overdue, and I urge my colleagues to support this effort.

Mr. President, I can be much briefer than the suggested hour this might take because I listened with some concentration to the debate preceding this amendment on the amendment offered by Senator SPECTER, of Pennsylvania. I was most impressed, as a matter of fact, with the statement of the Senator from Missouri when he suggested that we enforce the antidumping and countervailing duties within the confines of international agreements. That is precisely what this amendment does.

This amendment is designed to create within the Department of Commerce a small business section that would help those businesses which we were talking about for the preceding hour.

I was intrigued when Senator HEINZ used the analogy that Senator SPECTER had offered an amendment to deal with the victim who had just been hit by a truck that had run a red light or stop sign and that his amendment was designed to provide some relief to that particular victim.

The difficulty with that is that we have a similar situation for all of our small businesses, all of our small industries in this country. For example, there is a hospital available, there are trade remedies available whether they be countervailing duty actions, antidumping actions, import relief actions, section 301 actions, section 332 investigations, adjustment assistance, agricultural assistance, and on and on.

So there are hospitals available, but if I can stretch out the analogy a bit further, what we have is a situation where the hospital is there, the remedy is there, but the difficulty is, No. 1, the patients may not be able to pay the hospital bill. It costs anywhere from $100,000 to $200,000 to file one of these petitions for relief. Most of the small businesses in my State do not have that kind of money. We have an antidumping petition that is being filed by the Maine Potato Council. The council has an annual budget of perhaps $80,000 to $100,000. Legal fees would wipe out their entire operating budget in filing this one petition.

Most of the businesses in my State are small businesses. In fact, 99 percent are small businesses. I suspect that throughout the country we are talking about anywhere from 90 to 92 percent of all businesses being small business.

So, we have a situation where the hospital is there but the patient cannot pay the hospital bill.

Or, No. 2, assuming they can pay the hospital bill, they cannot fill out the forms because they are too complicated. Or, assuming they can fill out the forms, they find that they are in a particular ward where they have been referred to the cardiac arrest ward, only to find out upon examination some months later that they are really in the wrong ward. They belong over in the cancer ward. The came to the wrong place.

Several months beyond that they find they arrive at the cancer ward—that they are in the right place, but the doctor tells them it is too late to stop the disease.

So, essentially what we have are many small businesses that have no real remedy available to them. The hospital sits out there. The relief stands out there. But businesses have either no available funds or they have inadequate funds to take advantage of that hospital. They cannot compile the information that is necessary.

I point out, for example, that they may submit information of material injury on a regional basis. The problem, however, lies in the fact that the Federal Government does not often collect information on a regional basis. Industries must go out and hire their own economists at their own expense to collect data which this Government theoretically should be collecting for them.

They cannot fill out the forms and assuming they fill out the forms, time after time they have found themselves in a countervailing duty petition action only to find after months of consideration that they are to go over and file an antidumping petition. More time goes by and so a year or 15 months have elapsed and then they finally are on the verge of relief.

I heard Senator HEINZ talk about the competitors suddenly increasing the flow of imports into this country to try and take advantage of any relief that might be granted.

What happens time after time in this country is that Government finally determines that some action is going to be taken. The foreign government decides they are going to cease that dumping action or that illegal subsidy and they say, "We will not do it again." The President, because he wants to maintain compatible relations with that particular offending country, decides to waive the countervailing duties that he could impose.

So what we have is a situation in which the remedies are costly, they are complex, and ultimately they are illusory. They are illusory as far as small industries are concerned.

Mr. President, what I have done is try to structure an amendment that will provide relief to small businesses so that they will have the same access to those legal remedies to that hospital which currently stands out there or sits out there like a mirage.

The amendment would establish within the Department of Commerce an office that would help small business. This office would provide assistance during all phases of trade relief cases, including a reimbursement for a portion of the reasonable cost.

Second, it would provide a horticulture fast track system to shorten the time necessary to process cases involving perishable commodities.

Why is this necessary? If we are dealing with perishable commodities, then it seems to me to be foolhardy to go back and tell your constituents and your small farmers that a year may transpire but you might get some relief.

I will give you an example of what takes place in Canada. In Canada, for example, when the Government finds that one of their industries is threatened, they simply slap on an immediate surtax. They do not have to waste any time. They have no hearings. They slap on a surcharge and that serves as an impediment, as a barrier for U.S. firms shipping goods into that country.

The United States has nothing comparable.

And what this amendment is designed to do is set up a fast track system whereby the President would have to make some determination about injury within a very short period of time.

The amendment would require the International Trade Commission to consider differing circumstances concerning the resources of small businesses and documenting the material injury determinations.

Fourth, it would require the President to give more weight to regional considerations when small businesses petition the Government under section 201.

What I am referring to is a situation in the State of Maine, and I would suspect one that occurs in all the border States dealing with Canada specifically; that of a rather large monetary exchange rate differential, anywhere from 20 to 25 percent.

A farmer is immediately put under a severe handicap in dealing with a sale of his products since the Canadian Government that subsidizes farmers in addition to the advantage of a 20- to 25-percent differential on the monetary exchange rate.

This amendment would allow the President to take that into account.

Now I offer this amendment to this bill because there is a great deal of frustration with my constituents. We have potato farmers who are losing their businesses by the day because they are faced with competing potatoes being dumped throughout New England and the rest of the country. And it is getting more and more difficult for me to go back to my constituents and say, "Well, if you would just file this petition which, first, you cannot afford, and second, if you follow all the forms and fill out these forms with information you do not have, and if you wait 15 months, maybe we will have some relief from what may be rather ostensibly illegal activity on the part of another government."

What Maine farmers are threatening to do frankly, is simply to blockade the border. I do not encourage that action. In fact, I discourage that.

I have argued for years now for Maine farmers not to engage in illegal activity and yet time after time they say, "What relief is forthcoming?" All we are asking for in this particular amendment is that we have some affirmative action on behalf of these small industries by our Government. Action that will help them bear the expense, that will help them process the information, and indeed will help them gather the information and put them in the right pew; action that will also correct that injury and do so within a reasonable timeframe. This is all within compliance of our GATT agreements and it was structured and crafted that way, so that no international agreement is violated.

What I am trying to do is to provide some mechanism for relief for the small industries of this country; relief which is nonexistent today.

So, Mr. President, I am trying to encourage my constituents to abide by the law. Frankly, I know that there are arguments to be made against this measure such as, "Well, we have not had hearings,"—I had hearings on this issue over almost 2 years ago. I filed a bill on this issue over a year ago. I frankly am not in the position to go back to my constituents and say, "Well, maybe by this summer or next year we will have some hearings on this to find out what we can do to provide relief." This is a measure which is fairly simple. It is not costly. There are countervailing and dumping duties which are collected annually. These funds will be used to help bear and defray the legal expenses that will be incurred. Approximately $15 million is collected annually.

I suggest to my colleagues, and I would ask by the way, Mr. President, that Senator SASSER and Senator LEVIN be added as cosponsors to this measure——

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

Mr. COHEN. I ask my colleagues simply to look at this measure, to support it as an aid to the small industries of this country, to give to them what is theoretically available to them but to make it a reality. I yield the floor.

Mr. DANFORTH. Mr. President, I want to compliment the Senator from Maine. I think he has focused attention on a matter which needs attention. Today the members of the Finance Committee went over to the International Trade Commission and had lunch with the members of the International Trade Commission, and one of the things we were talking about is the special problem of small business in handling these cases.

As the Senator knows, in 1979 we had a major revision of the procedures for handling trade cases, and the effort was to put trade cases on a fast track. Sometimes when you are on a fast track a small operator has a difficult time keeping up on that fast track. It tends to telescope consideration of difficult matters, but it also tends to put added weight on the lawyers and others handling the matters during the time that it is before the relevant agencies of the Federal Government.

So I think this is something that has to be very carefully considered, and I note that just a couple of weeks ago, on April 6, I received, I was sent, a letter—I am not sure exactly what date it was received but the letter was dated April 6—from the two Senators from Maine, and they called attention to the fact that they had introduced S. 50, which is the basis for this amendment, the Small Business and Agricultural Trade Remedies Act of 1983, and concluded in the letter saying, "We respectfuly request the Subcommittee on International Trade conduct a hearing on this legislation at your earliest convenience." I think that is an excellent suggestion, and I do not say that to in any way put off the Senator from Maine. I know he has heard, as I have heard, numerous times when an amendment is offered on a bill "I will have a hearing" as though "please don't bother me anymore, I will have a hearing."

But I do believe this is a very important subject: How does a small person get relief? Is it possible to get relief? And what can we do to improve the situation?

This amendment is just a little over eight pages in length. It has about four major subparts, and I just want to state that I frankly have not had a chance to focus on it. Whether or not we should have a different office within the Commerce Department is arguable; I am not sure yet, but I do not know. The Commerce Department now is supposed to work with small businesses and maybe it can do it in the existing framework and maybe it does take a different office.

Reimbursing small business for expenses, that may be a good idea. On the other hand, to what extent would the reimbursement take place? Would it be total reimbursement? If the reimbursement is exceptionally generous the result of that could be to provide, in effect, an incentive for bringing any case that pops into your head. So it is almost like the third party payor question in medical costs.

Fast track consideration for escape clause cases involving perishables. I understand the desire for that, but how fast? We tried in 1979, and it went through a lengthy process of working this out in hearings and on the floor and in conference as to what length of time should be taken in trade cases. You can have such fast tracks that it ends up creating more confusion than solutions. Clearly it is important to be able to prove the cause of action, so to speak.

Small business being allowed to present less documentary evidence and also being allowed to meet different standards in trade cases: It is a great idea if it is a workable idea. But how much documentary evidence is necessary to prove the elements that you have to prove? I do not know. What different standards and how does that impact on relatively small and not so small business people?

So for those reasons I think that what is involved here are real complexities, but I think what is involved is a very important issue and I think

the purpose of the legislative process is to attempt to match the real need with the practical complexities that are involved in it.

I hope the Senator will not push this to a vote. It is going to be very hard for people to vote against that; anytime the word "small" appears in anything, even small oil producers, everybody says that has got to be great. So I hope he will not push this amendment to a vote, and I will give you my absolute assurance that this will receive much more than perfunctory attention from the Trade Subcommittee. We will get into the subject, get into it, with the input of the Senator from Maine and really do our best to solve this legislative problem in a responsible way.

Mr. COHEN. If I may respond to the Senator from Missouri, first of all, I want to express my complete confidence in your word and my admiration for the work you have done not only on this bill but many others. You and I have worked together on another issue involving shoes and leather imports, so I think we have a common goal in trying to help the various industries in this country compete against what seems to be at least questionable activities on the part of our international trading partners.

I would like to make a couple of points however. With respect to the time factor, I know you have just received this letter from Senator MITCHELL and myself. I had written a letter a year ago alerting the chairman of the subcommittee that the bill had been filed; 2 years ago we held hearings in the Governmental Affairs Committee and I put the chairman on notice that I was not trying to infringe in any way upon his trade jurisdiction. I was trying to provide a forum for constituents to come and offer examples of trade problems. It is not as if this has suddenly appeared before this body today or as recently as 2 weeks ago. It has been a matter which has been pending for 2 years, but one that has had very little attention paid to it.

Frankly, I think my farmers are running out of time. We have a very, very serious problem with the potato industry in the State of Maine. There are other products and industries involved, including raspberries in Washington; peaches in California, and onions in New York. I could name a whole host of similar industries situated throughout the country, not only in Maine, but in other States. So, I think it is a nationwide problem.

Second, with respect to expenses let me just say that there is a limit. What we are trying to do is help defray the initial $50,000 of expenses which run as high as $150,000 or possibly $200,000. There would be a limit as to what the Federal contribution would be and it certainly would discourage frivolous claims because the industry would have to bear one-half the costs. That is a substantial commitment. Industries would not be paid until after the completion of a case so it is not as if there is not a very large financial stake involved within the industry itself.

Mr. President, one final comment and I will yield the floor in a moment. I would like to say something about the difference in attitudes on the part of this administration. I think there has been a change.

I must tell you that, going back over the Democratic and Republican administrations of the past, I had always found, in trying to represent my constituents, that when I had a problem with potatoes, or fish, or any of the other industries that we have in Maine, including leather or shoes, and I went to the Commerce Department or other agencies—there was an element of hostility. There was an attitude that we were somehow the adversaries and that somehow this was a group of local people in northern Maine complaining because they could not compete. And it was indeed a deaf ear that was turned to these small business people. They were treated as adversaries to the open market system.

What I was trying to say is that it is not open and it is not free if your competitor has a 25-percent subsidy built into his pricing structure by virtue of a monetary exchange rate and it is not competitive if the other government is subsidizing the construction of storage facilities or of railroad transportation to the point where they can sell their products well below your cost of production. That is not competition, that is not free and fair trade.

I must say that there has been a change in that attitude. I would like to say a lot of it is due to a former colleague of ours, Senator Brock. He has been very sensitive to the issues that have been raised and he and his staff have been very helpful, I must say.

But, notwithstanding that, I think we have to go beyond one individual who might occupy the position of special trade representative. We have to do something to change the law as it exists, because the law as a remedy is illusory. It is a shimmering mirage that kind of appears and then fades each time small industries try to take advantage of it.

So, I want to say to the chairman of the subcommittee that I really do appreciate his offer to hold hearings on this matter. Frankly, I am under no illusion that if I were to push this to a vote, I would succeed. Since it is labeled "small business," it might very well have a chance of passage. I also suspect somewhere between the front doors of the Senate Chamber on the way to the House it would get dropped along the way and so I would have a pyrrhic victory at best and one that I could go back to my constituents and say: "I have done a wonderful thing for you. I have given you the same kind of remedy that currently exists. It doesn't exist for you. It was a nice, token gesture on my part."

I do not wish to engage in that sort of temporary publicity and smug satisfaction if, in fact, I cannot provide relief.

So what I would suggest to my friend and colleague is that I would be certainly willing to defer asking for a vote on this matter, to ask that it be withdrawn after other Members in the Chamber who may wish to address the subject matter, with the understanding that, indeed, you will undertake a very serious effort to hold hearings and hope we proposed some constructive changes that would benefit small business.

Mr. BENTSEN. Mr. President, I would like to say to the Senator from Maine that I certainly share his frustration. I was with one of the principal negotiators for the European Common Market today talking about the problems on the agriculture side. He said:

> What we are going to have to do is negotiate.

I said:

> We have been doing that for a long time. I remember going to the meeting in Geneva 4 years ago and I saw what happened last year, only cosmetic changes. I think it is time we quit negotiating.

I said:

> I totally agree with what the administration did on the sale of wheat flour to Egypt. I just hope it is not an aberration. We must do everything we can to push those exports and try to regain some of those markets.

I said:

> It is just as though the two of us were standing on the banks of the Potomac and throwing silver dollars into the water—it is going to hurt us both—and we wait to see who has the last silver dollar. We will not have subsidized to the extent you will because our producers are much more efficient when it comes to farm products. When we get all through with that, we will take a body count and then we will sit down and seriously negotiate on free trade.

Unfortunately, I think that is what we are going to have to do. But the Senator's point about small business not being able to afford it is a well proven point.

I am a little troubled with the idea of a trust fund, though, through fees.

Mr. COHEN. A portion of it.

Mr. BENTSEN. I understand. All of it up to $50,000 and 50 percent above that, as I understand your proposal. I do not quite understand, when you talk about the standards of injury, that you then supplement that by saying you have to look to the special circumstance of the pleader if it is small business. So I am not sure how that would work.

That is why, again, I think it is important that we have these hearings

because I am trying to achieve some of the same objectives that the Senator from Maine is trying to achieve.

I am delighted with the Senator's idea about perishable commodities—because when the Senator says it is a nationwide problem it is really that; I have seen it happen to us in south Texas in that regard—and being able to have that kind of immediate response by the Secretary recommending to the President and the President not waiting the 6 months but putting it in effect. I think that is something we really ought to push and try to explore.

Mr. COHEN. With respect to the demonstration of injury, we find ourselves in the paradoxical situation where this Government does not collect the necessary data or information. In one case in Maine that I am familiar with, the industry had to go to Canada to get its facts and data to demonstrate a case. Our Government simply did not maintain the information. We put the burden upon the small industry to hire economists to try to demonstrate injury when, in fact, no access to that information exists. This provision would have an impact on how we go about collecting the data that would be necessary for the small industry to prove its case.

Historically, we have always been adversaries with adversarial relationships. What I am trying to say is that those adversarial relationships should not exist. The Government is the hospital for small industries and businesses which they are paying taxes to. Yet it has been one of neglect, not benign neglect, but calculated indifference and almost hostility in some cases.

Mr. BENTSEN. Mr. President, I would like to be one of those who works with the Senator to try to achieve that.

Mr. COHEN. I would like to make one further comment on the fast-track system for perishable commodities. There is a case currently pending, whereby the Canadians have determined that onions exported from the United States into Canada were causing a problem for the Canadian onion industry. The Canadian Government immediately slapped a surtax on the importation of onions into Canada. Ambassador Brock has been trying to get some sort of compensation within the GATT procedures for that surtax. To date, he has been totally unsuccessful; 6 months have gone by and no action has been taken.

Now, I do not represent producers of onions, but that is an example of what I am talking about; the fact that there is not a two-way street; that we do not have the opportunity to have a fast-track, whether it be surtax legislation or a fast-track approach to help those industries that produce perishable commodities.

I am just trying to call attention to the problem. I think it is getting fairly desperate in not only my State but in many other States with large vegetable and fruit industries.

I appreciate the statements of the Senator and those of Senator DANFORTH.

I ask unanimous consent that my amendment be withdrawn.

Mr. BYRD. Mr. President, before the Senator does that, I ask that he add my name as a cosponsor.

Mr. COHEN. Mr. President, I ask unanimous consent that the Senator from West Virginia be added as a cosponsor.

The PRESIDING OFFICER (Mr. ABDNOR). Without objection, it is so ordered.

Mr. BYRD. I thank the Senator.

Will the Senator yield further?

Mr. COHEN. Yes.

Mr. BYRD. Mr. President, I was invited down to lunch by former Secretary Haig, whose confirmation I voted against and whom the administration later found they did not want to have around quite as much as they had wanted earlier. But, nevertheless, I thought it was nice of him to invite me to lunch and he also invited the majority leader from the House to lunch.

He said:

> Gentlemen, I am concerned about the legislation that we see coming down the pike, the prospect of protectionist legislation.

Of course, that is a bad word, so I hope that none of my constituents will read the word "protectionist" in the statement that will appear in the RECORD. On the other hand, I hope they will. I think they will feel I am doing the right thing.

I do not quite agree that this administration is much different from the several different Democratic and Republican administrations that I have served under—and I have been on the Hill for 31 years. The State Department always feels this way about it. It is opposed to any action on the part of the Congress that would protect American industry. That may be an exaggeration. I am sure I can say they oppose any and all such legislation, but that is pretty much the general position the State Department has taken over the years.

So Secretary Haig said that he was concerned about the prospects of certain legislation in the Congress and he hoped that the majority leader of the House and the minority leader of the Senate would assist in defeat or delay of such legislation.

I said:

> Mr. Secretary, I will tell you right up front that I am hearing those voices of unemployed steelworkers in Weirton and the coal miners in northern and southern West Virginia and the people in the glass industries around Clarksburg and Weston and Morgantown. And, hearing their voices, I think I should tell you where I will be most likely found. I am in the same position as the general who called his chief lieutenants, general staff, and so on, in to meet with him. He said to them, "Well, gentlemen, our artillery is being heavily battered. The infantry is suffering great casualties up front. The right flank is crumbling. The left is under heavy attack. I am going to give the order now to begin a retreat thirty minutes from now. But, as you know, I have a bad leg, and, if you don't mind I think I will just start now.

So I think that is where you will find me. You will find me right at the head of those efforts to protect our own industries. I am for fair trade. I know we have increased our exports in relation to our total economy. Exports contributed about 6 percent to our economy in 1970 and about 13 percent now.

But I think it good for Japan and some of our trading partners to hear about some of these efforts that are being made to rectify some of the problems that are occurring because of the unfair trade practices of our trading partners. Maybe if they understand that this effort wil be made time and time again, which it will be, until the committees report out something that will insure a fairer trade policy on the part of our partners, they will begin to shape up and deal fairly with us.

As has been said, the great Disraeli was booed and laughed down on several occasions, but he said there will come a day when they will listen. And there did come a day when they did listen to him. When our trading partners finally see something coming down the track that has teeth in it, they will be willing to listen and talk about fair trade.

I thank the Senator for allowing me to be a cosponsor of the amendment. I appreciate what the Senator from Missouri and the Senator from Texas have said, that there will be hearings on this matter. I think that will be the right step and in the right direction.

Mr. COHEN. Mr. President, I ask unanimous consent that I may withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. DANFORTH. Mr. President, let me thank the Senator from Maine for his cooperation and reassure him of my desire to work closely with him in this regard.

Mr. President, I know of no more amendments.

Mr. President, today we are considering the International Trade and Investment Act, legislation introduced by Senator BENTSEN and myself, and cosponsored by 41 of our colleagues from both sides of the aisle.

This legislation is the product of extensive consultations within the Congress and discussions with the administration, labor, and the private sector. Although based on the original language and concepts contained in S.

2094, introduced in February of last year, the legislation contains major provisions based on bills introduced in the 97th Congress by Senators BENTSEN, ROTH, CHAFEE, BRADLEY, HEINZ, HART, and INOUYE.

Although some of these bills employed the term and the concept of reciprocity more emphatically than others, they shared a common denominator; namely, that the United States must do more to expand its access opportunities in markets overseas. I believe the sponsors of the legislation under consideration share a conviction that the United States must seek nothing more, and nothing less, than the opportunity to compete on an equal footing in world markets. In its current form, the reciprocity trade bill was twice approved and reported out of the Finance Committee in the 97th Congress. In March of this year, the bill received the unanimous approval of the Committee on Finance.

The result is legislation that should serve to further the objectives we all share—namely, the maintenance and expansion of market opportunities abroad for U.S. exports of goods and services, and for foreign investment of the United States. The legislation builds on the broad concept of reciprocity of market access that is fundamental to U.S. trade policy. It strengthens enforcement of the legal rights of the United States under existing trade agreements and it sets the stage for the expansion of those international rights through the negotiation of agreements in the service and investment areas. Finally, the bill addresses itself to the problems encountered by high technology industries as a result of government intervention that distorts international trade in such high growth sectors.

Overall, the bill is designed to liberalize international trade and to curb protectionist pressures in the United States by demonstrating that we will enforce our rights under international agreements. The idea is to close the credibility gap created when we consistently refuse to take protectionist action in spite of the widespread perception that we are the only country practicing what everyone else preaches—namely, free trade.

Specifically, the bill provides for:

First. A systematic procedure whereby the administration would identify and analyze key barriers to U.S. trade in products, services, and investment.

The required annual report to Congress would include major foreign barriers and distortions to U.S. exports of products (including agricultural commodities), services, and investment, including estimates of their impact on the U.S. economy and efforts to achieve their elimination.

It is my expectation, and that of others involved in the evolution of this bill, that these national trade estimates will be used by this and subsequent administrations to identify the most onerous barriers to U.S. trade and investment and thereby set comprehensive market enhancement priorities for U.S. trade policy.

In this regard, we would expect the administration to go beyond its current role as recipient of petitions under section 301 of the Trade Act and to make use of the provisions for self-initiated 301 cases, as well as the bill's negotiating authority to broaden the scope of existing international agreements.

Second. Section 301 of the Trade Act of 1974 would be amended to broaden its scope and to clarify and enhance Presidential authority to retaliate against foreign unfair trade practices.

In this regard, unfair trade practices for which relief is available under U.S. law would be broadened to cover performance requirements and other trade-distorting barriers to investment, as well as violations of intellectual property rights.

Foreign barriers not removed through negotiation or enforcement of the GATT (General Agreement on Tariffs and Trade) could be offset by the United States through withdrawal of prior U.S. concessions, imposition of duties and other restrictions available under present law is clarified by this legislation. Of particular interest is the clarification of the President's authority to impose fees and restrictions on foreign services or suppliers of those services. While the role of regulatory agencies is recognized with respect to trade in services, I am firmly convinced that the Congress never intended regulatory agencies to make trade policy.

Finally, where U.S. retaliatory options are not currently available to the President, he would be given new authority to propose legislation which would enjoy accelerated consideration by the Congress.

Third, the legislation provides for major negotiations to achieve international agreements that encourage fair and open trade in services, investment flows, and high technology.

Knowing that other Senators may wish to speak in some detail regarding negotiations in the services and high technology sectors, I would like to address the investment portion of the legislation. In fact, barriers to foreign direct investment have major implications for international trade in both products and services.

In developed and developing countries alike, restrictions on foreign investment are being put into place which severely distort access opportunities. The impact on international trade has never been measured and should be of immense concern in the development of U.S. trade policy. The United States has always maintained a liberal investment policy, to the benefit of our economy as well as to those of foreign investors. The administration must be prepared to move forward with all due speed to reach bilateral and multilateral agreements with our trading partners—designed to reduce, eliminate, or prevent restrictions on the flow of investment throughout the world.

Mr. President, taken as a whole, the International Trade and Investment Act is designed to increase American exports and export-related jobs through stronger enforcement and expansion of domestic and international rules dealing with foreign unfair trade practices. It is intended to move us beyond the largely rhetorical approach that now characterizes our efforts to achieve greater market access abroad—into a straightforward mechanism for sorting through and dealing with these foreign actions.

SUPPORT AND COSPONSORSHIP

Since its introduction in January, S. 144 has gained the cosponsorship of almost half of the U.S. Senate. In addition to Senator BENTSEN and myself, the following Senators are cosponsors of S. 144: ANDREWS, BOREN, BRADLEY, CHAFEE, CHILES, COCHRAN, COHEN, CRANSTON, D'AMATO, DECONCINI, DOLE, DOMENICI, EXON, FORD, GLENN, GORTON, GRASSLEY, HART, HEFLIN, HEINZ, HELMS, HOLLINGS, INOUYE, KASTEN, LEVIN, MATTINGLY, MELCHER, MITCHELL, MOYNIHAN, PERCY, PRESSLER, PROXMIRE, RANDOLPH, RIEGLE, ROTH, SIMPSON, SPECTER, SYMMS, THURMOND, TSONGAS, and WILSON.

The dedication and diversity of this bipartisan coalition of Senators, alone, indicates the depth of feeling in the Congress that international trade must be conducted on a fair basis.

In addition, the International Trade and Investment Act enjoys the support of the administration and of a diverse group of business and agricultural organizations. The following companies and associations have been particularly active in support of S. 144:

Aerospace Industries Association of America.
American Council of Life Insurance.
American Electronics Association (AEA).
American Express Company.
American Farm Bureau (AFB).
American Trucking Associations (ATA).
Asia-Pacific Council of American Chambers of Commerce (APCAC).
Business Round Table.
California Almond Growers.
California-Arizona Citrus League.
Chamber of Commerce.
Chemical Manufacturers Association (CMA).
Cling Peach Advisory Board.
Coalition of Service Industries.
Computer and Business Equipment Manufacturers Association (CBEMA).
Data General Corporation.
DuPont Company.
Electronic Industries Association (Communications Division).
Emergency Committee for American Trade (ECAT).

FMC Corporation.
International Anti-Counterfeiting Coalition.
International Business Machines (IBM).
Millers National Federation.
Monsanto Company.
Motorola Inc.
National Agricultural Chemical Association (NACA).
National Association of Manufacturers (NAM).
National Cattlemen's Association (NCA).
National Council of Farmer Cooperatives (NCFC).
National Foreign Trade Council (NFTC).
The National Grange.
Poultry and Egg Institute.
R. J. Reynolds.
Scientific Apparatus Makers Association (SAMA).
Semiconductor Industry Association (SIA).
Sporting Goods Manufacturers Association (SGMA).
Sun-Diamond Growers of California.
Tanners' Council of America (TCA).
TRW Inc.
United Technologies Corporation.
Warner Communications Inc.

THE NEED FOR RECIPROCITY LEGISLATION

Mr. President, the International Trade and Investment Act is a sensible, timely piece of legislation that should be enacted into law.

Since the last round of multilateral trade negotiations and the passage of the Trade Agreements Act of 1979, American policy has largely consisted of reacting to a flood of imports. I do not denigrate the importance of this effort, yet, in the process, attempts to expand market access for American-produced goods have proceeded in an ad hoc manner at best.

It is time for us to embark on a comprehensive effort to assure fair treatment for American exports in foreign markets. The International Trade and Investment Act is designed to do just that.

The U.S. balance of trade in merchandise went into deficit in 1971 for the first time in more than three-quarters of a century. Last year that deficit reached close to $40 billion, including significant bilateral deficits with a number of our major trading partners. This year we can expect a merchandise trade deficit well above $50 billion.

These deficits, in and of themselves, are not so much the problem as the extent to which they result from inequitable market access between the United States and its trading partners rather than the market forces of comparative advantage and exchange rates.

Through the GATT system, the industrialized world has benefited from over 30 years of relative peace in international trade, along with the gradual reduction of traditional tariff and nontariff barriers to imports. The two fundamental principles of the GATT—the mutual extension of national and most-favored-nation treatment—remain essential elements in the GATT's formula for success.

The United States has, since the inception of the GATT, taken the leadership role in lowering international barriers to trade. Pushing and cajoling our trading partners into accepting each new liberalizing guideline, America has taken pains to employ the GATT's dispute settlement provisions. We have been in the forefront of any negotiations aimed at the reduction of tariff and nontariff barriers.

This leadership role has prompted the United States to set domestic policies relating to trade that are in conformity with GATT and to hope for similar action from our trading partners. The result is an American market with comparatively few import barriers while foreign markets are protected by a wide variety of restrictions. This has put us in a weak position to bargain for mutual concessions by other countries, for there are few American import restrictions left to "trade away" for market access abroad.

Of our major developed trading partners, Japan retains the most severe barriers to competitive American exports. Protection of the Japanese market is maintained in a variety of ways—some clearly illegal, some not. But regardless of whether these impediments are formal or informal, legal or illegal, the fact is they work. Moreover, it is clear even to the casual observer of American driving, viewing, and listening habits that Japan has ample access to our market in areas where Japanese firms are competitive.

Our largest single trading partner, Canada, continues to focus its attention on the investment and service areas for its "Canadianization" efforts. Although not traditionally considered under the general GATT framework, these barriers are not only harmful in and of themselves, but also have a significant impact on trade in goods. Investment restrictions imposed by the Foreign Investment Review Agency (FIRA), discriminatory tax practices, and similar government policies have already begun to impede our access to their market.

Finally, the European Community gives one the impression that they are ever on the lookout for new ways of closing their markets. These efforts have been directed at Japan for some time and may well affect our exports in the future. Meanwhile, we are still groping for the means to deal with the impact of EC agricultural export subsidies on competitive U.S. exports to third market countries.

The problems we face with respect to market access abroad are equally, if not more, severe in the case of developing nations. Many of these nations continue to benefit from developed country MFN concessions in the past 30 years without being accountable in GATT for reducing their own barriers. Of particular concern are barriers to trade and investment maintained by the newly industrialized countries (NIC's) such as Mexico (not even a GATT member), and Korea and Brazil, which have no desire to "graduate" from their LDC status in GATT terms.

It cannot be surprising then that many believe the GATT, however essential it is, is not alone sufficient to provide the basis of truly free international trade. It has become clear that national and MFN treatment are inadequate in some circumstances to provide the benefits of the system to the United States, when our market access is so disproportionately greater than others.

Further, while the GATT may work well to combat many traditional barriers to merchandise trade, it still fails to address some of the more sophisticated impediments found in the world today.

For example, the GATT offers no guidance whatever with regard to the free flow of investment and services—an integral part of international trade in today's world. Barriers in these sectors, such as performance requirements, continue to grow abroad in the absence of any firm international guidelines.

Therefore, while the GATT may be necessary to maintain equilibrium in the international trading system, it is by no means sufficient to achieve equitable access for U.S. trade and investment.

Mr. President, the bill under consideration today is designed to set the course for American trade policy that will accomplish our market access objectives by building upon and expanding the international trading system as we know it.

To achieve this goal, the United States must be prepared to force the issue. The International Trade and Investment Act is a clear mandate for the administration to seek equitable market access abroad for competitive American products, services, and investment, backed up by a credible threat to redress restrictions on American exports through the imposition of offsetting measures.

I will be the first to admit that this act is not a panacea for all of our economic woes. It does, however, fill a gap in our trade policy. If enacted, it will focus our Government's attention on those "generic" barriers to U.S. trade and investment that place limits on our full export potential. The bill strengthens the administration's hand without forcing it and offers an opportunity for us to move forward in the search for innovative solutions to expand markets for U.S. exports. Moreover, it not only reaffirms but

also seeks to extend existing rules governing international trade.

Mr. President, before we conclude work on this bill, the International Trade and Investment Act is the work of many people over a considerable length of time. A number of Senators had bills which were incorporated in what turned out to be the final version. I would like to pay special tribute to Senators ROTH, CHAFEE, SYMMS, BRADLEY, HEINZ, HART, and INOUYE for the role they played.

But I would like to single out especially Senator BENTSEN because he has been working in this area for long before I have, and he really has been the leader in this effort. As has been the case so often in the time that I have been in the Senate, Senator BENTSEN and I have been allied in a common effort. He really is a great partner to have. I appreciate so much his efforts for years in this regard, certainly including today on the floor.

I would also like to express my appreciation to the various staff people and administration people who have had a very strong role to play: Mike Hathaway and Jeanne Archibald of the U.S. Trade Representative's office; Sue Schwab of my staff; Ted Kassinger of the majority staff in the Finance Committee; Jeff Lang of the minority staff; Claud Gingrich, who was with the majority staff of the Finance Committee and who has now gone to USTR.

All of these people have worked diligently in this area and have done a highly professional job. I appreciate their efforts.

Mr. BENTSEN. Mr. President, I thank the Senator from Missouri for his most generous statement. It has certainly been a pleasure for me to work with him. I appreciate his efforts, his intellect, his integrity, and his commitment to his service as a U.S. Senator.

I thank my associate, Jeff Lang, for his contributions in those things I have worked on.

Mr. President, Senator DANFORTH and I have been working on S. 144 for over a year now. It responds to two basic concerns, first to develop a consistent strategy for enforcing U.S. trade agreements, and second to begin the laborious process covered by any international trade agreements.

We take up this legislation at a particularly perilous time in world trade. Not only are the economics of the developed and the developing world in their worse conditions since the Second World War, but the international system of trade agreements that has nurtured the construction of a global economy is itself nearly ready to topple.

For 35 years the United States has inspired and led a world trading system based on a consensus that open markets would produce the greatest increases in general welfare for all countries involved. Gradually, then with increasing speed, and now at a breakneck pace, countries are veering from the rule of open markets decreed by the General Agreement on Tariffs and Trade, the GATT. This is not a process that governments have merely tolerated, but one they have actively aided and abetted. While the United States has sought in general to remove the influence of Government from its economy and to maintain an open trading posture with regard to the rest of the world, the rest of the world has not reciprocated. Markets that should be opening to our exports are closed, and imports that under conditions of fair competition would have no chance in the American market are driving us out of successive basic industries. Trade has helped to generate our great wealth, yet now it puts our very economic future at risk.

This bill is not the end of the process by which we will bring things to rights. But it is a beginning because it lays out a method for the United States to develop a trade strategy. It is no longer sufficient for this country to have a trade policy which consists of free trade. The policy does not correspond to reality, nor is it specific enough to serve our national interests. We must continually work toward developing a free and open world economy, which is our greatest hope for increasing U.S. living standards. But we cannot be a patsy anymore.

Hidden in the closet of unused trade laws is section 301 of the Trade Act of 1974, one of the most powerful of those rusting statutes. If Senators will bear with me, let me just describe the great unused power Presidents have in this law. Whenever the President determines that a foreign country or instrumentality is trading on a basis which is unjustifiable, unreasonable, discriminatory, or otherwise unfair, section 301 empowers the President to suspend any trade agreement and impose duties or other import restrictions on imports from the offending country.

These are strong ideas, but notwithstanding the attack upon the free trade system that other governments have waged over the last 10 years, section 301 has never been used to restrain imports of products into the United States. Rather, it has been used as a procedure by which administrations decide when to advocate the interest of American business in the GATT dispute settlement system. That system has turned out to be, as far as I am concerned, a waste of time. I wish it were otherwise.

Several GATT cases involving Texas products have gone into the GATT dispute settlement system and never come out. At the end of February, a GATT panel set up to advise the GATT on an American dispute with Europe announced that it simply did not know what the GATT meant. That I submit is outrageous, and it will plainly undermine support for the GATT in the United States. But it does not mean section 301 is a dead letter or that it could not be used in different ways than it is used at present. What S. 144 does in its most important provisions—sections 3 and 4—is to lay out a roadmap for developing a trade strategy in the United States.

This system consists of annually identifying the most significant problems faced by the United States in trade. Astonishingly, no such process exists at present. Our entire trade machinery consisting of dozens of agencies, departments, bureaus, and independent commissions and boards lurches from one problem to another led by the losers of our economy rather than the interests of our economy. Many of the petitioners are deserving, and in each individual case I have no doubt that some rough justice is done. But in terms of turning the American economy in the direction of success, competitiveness, full employment, and a brighter future, this system is practically worthless.

What the bill also requires is that the Executive do something about its list of the most significant trade problems. While there is much argument about the standard on which the Executive should do something, the failure is that if the Executive had done anything over the past 20 years under standards that already exist, our trading position and, in fact, the world trading system would be in far better repair than it is now.

Now let me say a word about reciprocity. This issue concerns the circumstances under which the President is authorized to retaliate against foreign unfair trade practices. I know well the temptations of enacting a tougher standard so that the Executive will be more frequently compelled to take action. When an earlier version of this bill was introduced by Senator DANFORTH in the 97th Congress, Senators CHAFEE, BRADLEY, and I offered S. 2223, a measure that is now reflected in many provisions of the bill now before the Senate. Our purpose was to show that there is another way, that we do not have to impose our economy on the world to open up the trading system.

Over the long run, what other governments will respect is not an occasional 50-percent increase in duties, such as we saw recently on motorcycles. Justified or not, that action in isolation is practically meaningless. What we need is a consistently tough-minded trade policy over a long period.

The standard on which the President's action under this law would be triggered is, I submit, sufficient to

build the kind of tough policy all of us want. Under the bill, the President would be authorized to retaliate against foreign practices that are unfair or inequitable. I know many Senators want to hold the rest of the world up to our standard. They want the President to act in situations in which other governments fail to provide us the same trading opportunities that we provide them. But the ultimate result of that rationale is that each country holds up all the others to its own standards. While in the short run, that may terrorize a few of our trading partners into coming to their senses, in the long run it is a contradiction in terms.

The standard countries must be held up to is the one they have agreed on will apply to all of them. That is essentially the standard represented by the terminology "fair and equitable," that is, fair as between U.S. exporters and other countries' exporters to any given market, and equitable as between importers and nationals of each economy. This is the standard that is part of our economic constitution. If we hold the world up to the standard in this bill, we will have a very tough policy, indeed.

Mr. President, section 301 is just a tool. We have been enacting trade laws, most of which most administrations have never used, for 35 years. Now to debate whether we should use a standard that can never actually be applied in world trade is worse than a waste of time: It undermines our ability to build a system that we can use to our advantage. Dark as this hour is for the world trading system, we must constantly build for the day when there will be international consensus on a large number of trade rules. Nothing in GATT forbids us from retaliating against unfairness; nothing in GATT forbids the United States having a trade strategy, as well as a trade policy; and nothing in GATT prevents the United States from looking out for its own interest. I suggest that this bill, modest as it appears in current circumstances, will result in a program of action, not just GATT action, but real action to resolve those problems. That is a trade strategy. Without this bill, the administration, like all administrations before it, will simply reel from one exasperating and inconclusive trade dispute to another.

Mr. CHAFEE. Mr. President, as an original cosponsor of the International Trade and Investment Act, I am delighted that the Senate will have an opportunity to consider this bill today. I wish to commend Senator DANFORTH for his hard work on it. Senator BENTSEN also deserves commendation for the fine job he has done.

Mr. President, exports are a critical and growing part of our economy. As a percentage of our gross national product, exports almost doubled between 1970 and 1980 from 4.4 to 8.5 percent of the GNP. In recent years, 4 out of every 5 new manufacturing jobs came from the export sector. Every $1 billion in exports sustains 25,00 to 30,000 jobs. With exports so vital to our economic well-being, we must clearly do everything possible to preserve existing markets for our products. Further, we must seek to eliminate unfair foreign barriers to our exports.

The bill is intended to strengthen our ability to achieve equitable market access abroad for American products by strenghtening our negotiating and enforcement powers.

Significantly, too, the bill incorporates a bill which Senator ROTH and I introduced last year—the Trade in Services Act.

These provisions are important for several reasons.

First, they reflect the significance of trade in the service sector. Although the misconception lingers, ours is no longer the smokestack economy of the past. The fact is that most of our jobs, most of our GNP are generated by the service sector.

While employment in the manufacturing sector fell last year, employment in the service-producing sector rose.

The service sector has thus cushioned a recession that would have otherwise been much more severe. Similarly, export of services has counterbalanced the trade deficits in manufactured goods, producing an overall trade surplus.

As critical as services are to our economy, there exists no system of international agreement covering services trade. While the United States has expanded its trade exports over the past decade, foreign barriers to our services exports proliferate. These include restrictions on remittance and repatriation of profits, fees, and royalties; restrictions on market access; restrictions on personnel; discriminatory taxes and licensing procedures, Government subsidies to local service firms; excessive duties and prohibitions on importation of services necessities like computer software; and, discriminatory Government procurement.

The Services provisions allow for effective coordination and implementation of U.S. trade policy with regard to services. These provisions direct the USTR to coordinate the development of services trade policy and require that he consult with Federal regulatory agencies and the States in those areas of the services sector that are subject to Federal and/or State regulation, such as insurance and banking.

Further, they provide that, prior to the negotiation of any agreement on services, the USTR must develop negotiating objectives in consultation with the private sector service industry advisory groups and the States. The bill also authorizes the Department of Commerce to establish a services industries program to develop information on the flow of trade in services, analyze the impact of U.S. laws pertaining to services, and provide information to the States on U.S. policy on international trade in services.

The third and perhaps most important purpose of this portion of S. 144 is to insure that U.S. service industries continue to have free access to foreign markets. To accomplish this objective, the bill clarifies and emphasizes the President's authority to take action against unfair practices either at home or abroad which affect U.S. service industries. The bill allows Federal regulatory agencies with authority over service industries to take into account the extent to which U.S. service industries are accorded access to foreign markets. These regulatory agencies must act in consultation with the USTR.

Mr. President, the original version of the Trade In Services Act included a provision directing the administration to raise the issue of an international services code at the 1982 GATT ministerial meeting and to insure that the negotiation of such an agreement is given a high priority in U.S. trade policy. I am gratified that services was brought to the GATT negotiations. Some progress was made, as parties agreed to study the issue of services and to decide in 1984 whether further multilateral action is appropriate.

This is a small step but a start nonetheless. The services provisions of S. 144 help further the process begun at the 1982 GATT ministerial.

Mr. President, we must act to create an international framework to deal with trade in services problems while we still have a trade surplus in that area instead of waiting until we have a deficit. We should take steps now to insure that the rapidly expanding world trade in services remains free and open. I believe that the proposal contained in this bill will serve as an important tool for achieving this goal.

The Trade and Investment Act, incorporating the provision of trade in services, is a constructive tool that reflects the nature of our export trade and will serve to further our trade interests and the interests of liberal trade overall.

I urge my colleagues to support this bill.

Mr. LEVIN. Mr. President, last year during the lameduck session I sought to delay consideration of the trade reciprocity bill because I thought we needed more time to work out language to strengthen its provisions and make it an effective mechanism for righting the U.S. trade imbalance.

Last year's bill required the Trade Representative to provide annual reports to Congress. The reports were to

include information with respect to any actions taken to eliminate unfair trade barriers. Given a number of Presidents' reluctance to pursue retaliatory measures, I was afraid that the sections relating Presidential retaliatory actions would be few and far between.

It was my view that the Trade Representative's report should also include information with respect to the reasons why no actions were taken after trade barriers of other countries had been identified. Such inclusion would not only provide Congress with a more complete report, but it would spotlight Presidential inactivity—and it is the lack of action and the underlying reasons that need to be brought to light.

I was pleased that this year this point has been incorporated into the bill. Section 181 now requires that the Trade Representative include in his report information with respect to any action taken or the reasons for no action taken. I thank Senator DANFORTH and commend him for that. I hope the new provision will encourage the President to use his authority under section 301 more actively and effectively.

On a related point, I would like to mention that it is my understanding that the Department of Commerce will be integrally involved in writing the reports. I raise this point because it is important to underscore the fact that the Office of the USTR and the Department of Commerce will be working together—that is, that the right hand will know what the left hand is doing. This will encourage the development of a unified trade policy, which should assist this country in acting firmly to secure its rights in international trade.

Mr. DOMENICI. Mr. President, I would like to speak in specific support of S. 144, the International Trade and Investment Act as reported out of the Finance Committee. This bill gives the President added authority and updates our trade laws to address the current world trading environment. It also brings high tech, foreign direct investment and services under the trade laws and puts these three vital sectors of our economy on the same footing as manufactured goods.

We are experiencing a new industrial revolution based on information processing. The computer is the symbol of this transformation, but the semiconductor has been greatly responsible for it and its application goes much farther than just computers.

High tech is strategically vital for communications, instrumentation, transportation, and military systems. In New Mexico, Signetics, Intel, Digital Equipment and Honeywell are all playing key roles.

Right now our high tech industries are the best in the world, but they need open world markets to maintain that superiority and to continue to grow. This bill fosters economic growth and full employment. It expands competitive U.S. exports by achieving commercial opportunities in foreign markets that are substantially equivalent to the environment enjoyed by foreign firms competing in the United States.

No economic legislation will be considered during this Congress without the consideration of jobs. This bill represents not the exception but the opportunity to talk about international trade in the context of high tech and jobs. It has been predicted that 75 percent of all jobs by 1985 will involve computers in some way. Two trillion dollars worth of goods and services are currently being traded internationally and the potential is unlimited.

To fully understand why we need this legislation we need to recognize that the United States is firmly linked with other nations in the global economy. We are all mutually benefited by international trade.

However, this free-trade concept is being encroached upon by our trading partners. Superstringent rules on safety or health standards, or insistence that all customs documents be in one language or lengthy dockside inspections are increasingly prevalent, nontariff barriers hurting our exports. In the high tech area direct protection of Government procurement, industrial promotion, and regulation of competition are other examples. Because of the world recession we have seen a proliferation of such nontrade barriers.

There is a need for this legislation because our high tech industries are increasingly being denied access to world markets. Governments of developed and advanced developing countries alike have recognized the importance of their high technology industries, and are increasingly protecting them. For example, a Joint Economic Committee study concluded that the Japanese market for semiconductors has an oligopolistic structure and does not function as an open market. The Government of Japan tolerates and even encourages the formation of cartels.

The Japanese Government acts as a doorkeeper, controlling access to Japanese markets and as a promoter of Japanese industry by providing cheap capital, tax breaks to assure cash flow liquidity, R&D support and help in promoting exports.

Through most of the 1970's Japanese Government policies limited U.S. access to the Japanese market and insured that the advantages of rapid domestic growth would accrue mostly to Japanese firms. Growth was underwritten partly through public subsidies and through a stable access to capital market. At the same time, they have aggressively competed in our domestic market.

Until the very end of the 1970's, Nippon Telephone & Telegraph's (NTT) procurement was completely closed to U.S. and other foreign markets. Moreover, NTT did not allow the big four Japanese telecommunication firms to use imported semiconductors in the equipment they supplied to NTT.

Japan is not the only problem. Canada requires that all foreign banks maintain and process data within Canada, Australia forbids the screening of television commercials filmed abroad and Norway has not licensed a foreign insurance company in 40 years.

This bill is designed to address these and countless other similar problems. It will clarify the President's authority to react to unfair trade practices.

I like this bill because it is flexible in approach. Not all trade barriers damage U.S. industries to the same degree. This bill is written to allow discretion which should achieve an appropriate response to a wide spectrum of problems.

Trade is an increasingly important component in our economy as illustrated by the following numbers:

Two of every five acres of farmland produce food for export, one of every eight jobs in manufacturing depends on overseas markets, four out of every five new U.S. jobs in manufacturing have been created by international trade. Exports account for more than 16 the total value of all goods produced in this country.

Despite high volume of our international trade, we still are far from matching the international sales efforts of our leading trading competitors. Only 10 percent of our firms export, and only 7 percent of our gross national product finds its way into foreign markets—less than half the percentage of our major trading partners.

This bill is a good tool to increase trade opportunities by guaranteeing equal access to foreign markets.

Thank you, Mr. President.

INTERNATIONAL TRADE AND INVESTMENT ACT

Mr. ROTH. Mr. President, I rise in support of the International Trade and Investment Act.

Much of the public debate on this legislation has focused on the concepts of "reciprocity" and "retaliation", but this debate should not overshadow the fact that this bill is about "priorities" and "objectives". The International Trade and Investment Act is significant because it is the Congress' first legislative initiative since the Trade Agreements Act of 1979 aimed at developing a coherent and farsighted trade strategy for the 1980's.

This legislation begins to identify areas of high-priority trade interest to the United States in this decade and encourages the executive to develop a

trade agenda that will be of the greatest benefit to American workers, firms and consumers.

Areas of key trade interest identified in the bill are trade in services, high-technology products and restrictions of foreign direct investment. Specific negotiating objectives are provided with respect to each of these areas.

I am particularly pleased that this bill includes the important provisions of my trade-in services bill. It provides that principal U.S. trade negotiating objectives would be the reduction or elimination of barriers to or distortions of international trade in services and the development of internationally agreed rules, including dispute settlement procudures, to reduce or to eliminate such barriers.

Importantly, this bill establishes mechanisms for identifying additional objectives for future negotiations and for ranking these objectives. The administration is required, for the first time, to prepare an annual report to the Congress which systematically enumerates all significant barriers to U.S. commerce and which outlines the administration's strategy for eliminating them. In addition to foreign barriers, these reports could include the effects of U.S. export disincentives. The bill delineates a number of factors the Executive is to take into account in preparing these reports, such as the relative impact of the barriers and the extent to which the barriers are subject to international agreements as well as advice from the private sector and, where appropriate, from State and local governments. This process is intended to assure that our negotiating energies are directed at "Those barriers to the expansion of market opportunities which are most important in terms of U.S. commercial interest and with respect to which there is the greatest likelihood of achieving solutions, particularly within accepted international procedures." Moreover, the administration is to keep the Ways and Means and Finance Committees currently informed on trade policy priorities for the purpose of expanding market opportunities.

Much of the content of this bill which relates to "reciprocity" and "retaliation" is intended to clarify the President's existing authority rather than to confer new authority on him. The provisions relating to "priorities" and "objectives," on the other hand, provide new direction and a constructive approach for setting our future course in trade.

I would hope that this first step toward organizing for trade policy in the 1980's will be followed by the creation of a new Department of Trade, as proposed in my bill, S. 121. Creating an effective infrastructure for trade promotion and trade policy development, negotiation and implementation is vital to our national interest in the coming years.

I commend the chairman of the Subcommittee on Trade, Senator DANFORTH, and the chairman of the Senate Finance Committee, Senator DOLE, for their leadership and I hope that the Senate will overwhelmingly support this legislation.

Mr. PERCY. Mr. President, I rise to speak on behalf of this legislation, of which I am pleased to be an original cosponsor.

I commend my good friend from Missouri (Mr. DANFORTH) for initiating this legislation over 1 year ago and for moving it so speedily through the Senate Finance Committee. It is one of the most important trade bills we will consider in this Congress.

I believe I speak for every Member of this body when I say that the United States needs to develop a new approach and a cohesive strategy for assuring equitable treatment of U.S. exports in the world marketplace. The United States has in the past and continues today to benefit from international trade, but the shape of the world economy is changing and we must be prepared to adapt or be left behind.

The United States can and will continue to be a leader of the world economy. But we must also be realistic enough to recognize that the manner of our leadership must change as the system itself changes.

This legislation—S. 144—serves as a positive step toward this new realism for which we should strive. That is why it has garnered such widespread support from major business and agriculture organizations. American business and farmers are behind this legislation because they see the potential it offers our exports in the years ahead.

Few would disagree that the United States and the free world have benefited from trade since the world economy was reconstructed after World War II. The United States has been a strong advocate of increasingly open trade, unhindered by distorting tariff and nontariff barriers at home and abroad. As the recognized world leader in trade for the past 40 years, we have built the prosperity of American life largely on a foundation of expanding trade opportunities. As such, U.S. business and workers stand to lose the most from serious disruptions of the orderly flow of trade.

Few would also disagree that America's position of preeminence in trade is being challenged. America faces an escalating trade deficit which threatens to undermine the consensus of support for open trade.

One look at our trade balance over the past decade paints a picture of exports and imports that has brought us to this legislation today. We were largely a country that ran a trade surplus until 1975 when we began to run consistently large trade deficits.

Mr. President, I believe my colleagues would be interested in this table I have prepared showing the deterioration of the U.S. merchandise trade balance and I ask unanimous consent that it be placed in the RECORD at this point.

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

U.S. merchandise trade balance, 1970–82

Trade balance:	*Billions*
1970	$2.6
1971	−2.3
1972	−6.4
1973	0.9
1974	−5.4
1975	9.0
1976	−9.3
1977	−30.9
1978	−33.8
1979	−27.3
1980	−25.3
1981	−27.9
1982	−31.7

Mr. PERCY. It is no accident that the merchandise balance of trade turned negative after 1973 and the first "oil crisis." From a 1973 figure of $8.4 billion, our oil import bill shot up by over 300 percent to $26.6 billion in 1974 and peaked in 1980 (after the second major oil price hike by OPEC) at $79.4 billion. That is an increase of 1,000 percent since 1973. With the recent weakening of the OPEC cartel, however, our recent oil payments have dropped and this should have a beneficial effect on our trade balance.

Another important part of our trade picture is agricultural exporting. The 1970's and 1980's have seen a steady rise in U.S. farm exports. From a 1970 low of $7.3 billion, farm exports rose to $44.2 billion in 1981. The past year has regrettably seen a 5-percent decline to $37.4 billion, which the Commerce Department has attributed to "record world supplies and weakening demand leading to intensified price competition." In short, our farm exports are being challenged as never before. There are a number of actions we have taken to address this question and soon the Senate will take up the export PIK bill that will deal with our farm surplus and the export subsidies that other countries provide their farmers.

Despite these troubles, agricultural exports remain a major staple of our trade balance. Without them, we would be in the red even more. I am proud to say that Illinois accounted for 9 percent of U.S. exports. It is the No. 1 agricultural exporting State in the country. Illinois today exports $3.6 billion worth of agricultural products which translates into 120,000 jobs.

My State also benefits from nonagricultural manufactured exports. We rank fourth in the country in terms of our manfactured goods exports.

Recent Department of Commerce statistics show that a further 285,000 jobs in Illinois are linked to manufactured exports. Illinois companies like Caterpillar Tractor Co.—the State's largest private employer—derive as much as 50 percent of their sales from exports. In the United States as a whole, 4.7 million people depend on manufactured goods exports for their jobs. These numbers remind us how closely we are intertwined with our trade partners and how much we depend upon them to assure our own economic strength.

It is important that, while recognizing the enormous benefits derived from trade, we also recognize that some of our trading partners have put up barriers to our exports. I have been personally involved in pointing out such practices when they hurt illinois companies and workers.

I have worked hand-in-golve with the U.S. Trade Representative to identify trade barriers in Japan that cost us jobs and sales.

As you may know, Illinois leads the Nation in exports of soybean and corn. Nearly one-third of Japan's agricultural imports consist of soybeans and corn, so we, in Illinois, took great interest in the tariff levels decided during the multilateral trade negotiations concluded in 1980. Despite reductions in tariffs, they still remain high at between 17 and 20 yen per kilo of soybeans. Corn imports are regulated by allowing 2 million tons to enter duty free, but then imposing a 15-percent duty on all subsequent imports. Perhaps the situation would improve if the Japanese people recognized that the price they pay for food is high due principally to quotas and duties placed on their importation. Both the Japanese and Americans could thus benefit from tariff reductions.

Mr. President, I do not want to belabor the point of Japanese trade restrictions, but I would like to emphasize one instance. It concerns another Illinois company, Motorola, which sells pagers to the Nippon Telephone and Telegraph Corp. (NTT). After 2 years of trying, the Motorola Co. received an order to buy 45,000 pagers worth $9 million in fiscal 1982. The 2-year delay was engendered by NTT's insistence that Motorola submit test models built to the same specifications as those to be supplied by the five Japanese companies who also were contracted to sell 45,000 pagers each to NTT. What drew the ire of Motorola officials was that, within 3 months of the sale, Japanese manufacturers had been able to dump thousands of inexpensive pagers on the U.S. market. This seems to reinforce the argument of those who lament that our own market is the most open in the world, a fact which foreign companies take ample advantage of while our companies like Motorola wait up to 2 years for equal access.

Nonetheless, there are signs that our efforts to open the Japanese market are meeting with small but potentially significant success. Just before the close of 1982, the Japanese Government announced a series of tariff reductions and the easing of some nontariff barriers to imports. Tobacco import duties were trimmed from 35 percent to 20 percent, and duties on chocolate were reduced from 32 percent to 20 percent. Reductions were also made on import duties for 45 other agricultural products and 28 industrial goods. At the time, I said these cuts were a positive sign, but there was still a great deal of room for improvement. We must continue to pursue our interests with Japan by seeking further cuts in tariffs which are mutually acceptable and beneficial.

Lest I give the impression that trade with Japan is all that concerns me or my constituents, I pause to review the state of our trade relations with Europe and the nations of the developing world. It is important to note that our positive balance of trade with these two regions of the world forms the other side of the coin from our deficits with Japan and OPEC.

I do not intend to criticize the Europeans for their Common Agricultural Policy. It has been a source of unity for the European Economic Community. What I am concerned about is how essentially domestic policies grow to have a serious impact on world trade. The fact that the Europeans have begun to subsidize exports to the developing world to break into their markets should be of the utmost concern to all of us, even those who do not come from States as dependent upon their farmers as mine.

We must vigilantly oppose these practices. The issue of subsidies was forcefully confronted by administration announcements that the United States was prepared to subsidize our own exports, if necessary, to maintain our market share. This sort of hard bargaining appears to have had some impact.

In a similar manner, I was involved, in the spring of 1982, in sponsoring a Senate resolution expressing our refusal to accept restrictions on imports of corn gluten feed into the European Community. The export of this produce is a $500 million-a-year market of which my State is the top producer. I am not saying that due only to our Senate resolution the EEC backed down from its proposed cutoff of these imports, but rapid and firm delineation of the U.S. position on the matter assured that our opinion entered into the policy debate.

This should remind us that an essential element of our trade policy, now and in the future, should be a willingness to both speak out on trade issues as well as listen. The flow of communications should be regularized to assure that discussions remain a two-way street. All members of the world trading community should recognize that national interests in trade can only be pursued in international forums in this interdependent world. These discussions should include all areas of the world and countries of every level of economic development. It is a basic truism that for one country to sell its products, someone else has to buy it. We must assure a balance of viewpoints from all sides.

Few realize that Japan and Europe, while comprising a large proportion of our trading market, are not the largest purchasers of American goods. This distinction lies with the nations of the developing world. Not surprising then that Ambassador Brock recently called the growing importance of LDC trade to the U.S. balance of payments "the most significant development of the past decade". By 1980, total U.S. trade with these nations amounted to more than that with Europe and Japan combined. During the decade of the 1970's the United States amassed a surplus with the developing world of $26 billion. These nations also supply the United States with the vast majority of our strategically important raw material imports.

In the face of the challenges perceived to the world trading system, and the undeniable benefits to be derived from its continued operation, what are the proper policies for the United States to pursue? Perhaps those policies not to pursue are more obvious and clear.

First, we should not react in a manner reminiscent of 1930 when the Congress passed the highest tariff walls in history: the now infamous Smoot-Hawley tariff. I am certain we all have enough sense not to knowingly repeat our past mistakes, but historians note that the Smoot-Hawley bill was fairly innocuous when first introduced. A protectionist bandwagon should be resisted with all our strength.

Quotas and other voluntary restrictions have been used periodically with varied success, but offer only a temporary salve to a deeper problem. There will be a place for these sorts of agreements in the future. I propose that they have more potential if used in conjunction with a long-term agreement among trading nations on the orderly flow of trade through the elimination of dumping, subsidization of exports, and other practices which provide unfair advantage for a few at cost to the many.

Progress has been made toward the alleviation of the damage inflicted by unfair "dumping" actions on the U.S. market. Once again, I emphasize that

this progress was achieved through hard bargaining and forceful but fair representation of American interests. Recent agreements concluded with European steelmakers resulted in voluntary restraint of EEC steel exports to the United States in exchange for the withdrawal of antidumping claims filed with the International Trade Commission. In the past months, similar complaints have arisen against the Korean Government for alleged subsidization of their steel exports to the United States. Preliminary findings by ITC showed reasonable indication that American manufacturers were, or were likely to be, injured financially by the Korean imports. These results, in both the Korean and European cases, indicate that our trade adjustment system works, and steps should first be taken to preserve and strengthen that system rather than seek new mechanisms.

Mr. President, this is where I feel that S. 144 provides a positive impetus toward the clarification and improvement of our present policymaking apparatus in the area of international trade. The bill attempts to bring up-to-date the provisions of section 301 of the Trade Act of 1974 by including the elimination of barriers to U.S. exports in the fields of high technology, services, and direct foreign investment as major goals for the President to pursue in future trade negotiations with our partners.

As the bill, which is laid on the table before you today reads, S. 144 provides needed direction to the way our trade policy is made. Allow me to briefly summarize its most important provisions.

The major purpose of the bill is to assure that all those who participate in the formulation of America's trade policy—the U.S. Trade Representative, the Department of Commerce, and the President, among others—become actively involved in the identification and elimination of foreign barriers to U.S. trade and investments. The bill also gives particular attention to the promotion of U.S. exports in the service sector.

To achieve these goals, S. 144 mandates the USTR to collect data on "acts, policies, or practices which constitute significant barriers to or distortions of" trade in goods and services (including agricultural commodities), and foreign direct investments by U.S. persons. The USTR is then to make an estimate of trade distorting effects of foreign unfair practices on U.S. commerce.

Another significant provision involves the establishment of a "Service Industries Development Program" under the Department of Commerce. Mr. President, recently, the Secretary of Commerce indicated that at present, 7 out of 10 American jobs are in the service sector. Equally impressive is the fact that international activities in services—exports and an income from overseas affiliates—amounted to $128 billion in 1980. S. 144 desires to protect American interests in this increasingly vital sector of our economy.

The Service Industries Development program requests the Secretary of Commerce to initiate an examination of how best to promote U.S. service exports. Factors to be analyzed include:

Tax treatment of U.S. service firms and their impact on international competitiveness of these firms;

U.S. regulations;

The adequacy of U.S. export promotion activities in the service sector; and

The treatment of services in international agreements of the United States.

The General Agreement on Tariffs and Trade (GATT) does not cover trade in services or foreign investment. These two types of trade have moved to the core of American business, generating more profit than any other type of exports. The Congress must now move to the forefront and signal to all members of GATT that new guidelines eliminating discrimination against American firms is of critical interest to us. S. 144 sends just such a message.

S. 144 also sends a message to our exporters that we, in government, are prepared to assume a leadership role in providing the type of world trading environment conducive to their successful competition in the world marketplace. This goal will also be aided by concerted efforts to reduce the looming out-year deficits so that interests rates can come down lower, and reduce the overvaluation of the dollar. Economists estimate that each 1 percent change in the dollar's exchange rate leads to a 1.2-percent change in exports. Any reduction in interest rates will also facilitate the investment in new capital equipment so essential to continued productivity. The time has arrived to return our house to order.

Finally, Mr. President, S. 144, while making a realistic trade policy for the present, also looks boldly into the future. The bill sets future negotiating objectives in services, investments, and high technology exports. These objectives do not speak in protectionist terms. Instead, the goal of maximum openness in trade is pursued in each category. By sponsoring this bill, we do not desire to circumvent the trade system, only strive to continually make trade a nondiscriminatory process.

I conclude by reiterating my support for international trade. The world trading system is an essential component of the American way of life. Trade has helped make the United States prosperous. It fosters competition among producers as well as nations which improves productivity. Trade also supplies America with essential goods and services which would be otherwise unavailable. As the world's largest economy and the leader in world trade, we have the most to lose from debilitating trade wars. We have the most to gain from the expansion of trade and the opening of expanding markets in newly developing nations.

Mr. President, S. 144 signals an aggressive posture by U.S. Representatives to assure the preservation and expansion of a world trade system beneficial to our economic and political interests. I urge my colleagues to support it.

Mr. QUAYLE. Mr. President, while the Senate is deliberating S. 144, the trade reciprocity bill, I would like to bring the attention of my colleagues to a matter related to trade, and which impacts on our ability to trade effectively. I am speaking of training programs for workers whose dislocations are caused by increased imports in their industry.

My colleagues are aware that, as chairman of the Employment and Productivity Subcommittee, I have sought to develop training programs to meet the needs of dislocated workers. A dislocated worker has held a job; has skills and an employment history. He has proven to be a dependable and productive employee, but due to increased imports, technological obsolescence or changes in consumer demand, he has little likelihood of ever returning to his old job.

There are currently over 20 Federal programs to provide training or adjustment assistance to dislocated workers. The programs share a common goal, but have mixed records.

While we are rethinking our relationship to trade, I recommend to my colleagues that we rethink our relationship to trade retraining programs. Trade retraining needs to be looked at in relationship to other training programs. It needs to be reexamined in light of the Job Training Partnership Act of 1982, title III of which is devoted to dislocated worker retraining programs. Finally, it needs to be reevaluated to determine whether or not it is effective in retraining the dislocated worker for new employment.

I plan to hold hearings later this session to look at the diversity of adjustment programs for dislocated workers, the need for this diversity or the possibility of centralizing training opportunities for all dislocated workers under one umbrella.

Mr. President, I ask unanimous consent that the attached list of dislocated worker programs be printed in the RECORD.

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

DISLOCATED EMPLOYEE LEGISLATION

Interstate Commerce Act of 1887, and Amendments of Rail Passenger Service Act (Amtrak) of 1976

Railroad Unemployment Insurance Act of 1939

Federal Communications Act Amendments of 1934

Urban Mass Transportation Act of 1964

Public Works and Economic Development Act of 1965

High Speed Ground Transportation Act of 1965

Demonstration Cities Act of 1966

Rail Passenger Service Act of 1970

Regional Railroad Reorganization Act (Conrail) of 1973

Federal Aid Highway Act of 1973

Trade Act of 1974

Disaster Relief Act of 1974

Juvenile Justice and Delinquency Prevention Act of 1974

Developmental Disabilities Services and Facilities Construction Act of 1975

Special Health Revenue Sharing Act of 1975

Job Training Partnership Act of 1982

Airline Deregulation Act of 1978

Amendments to Redwoods National Park Act of 1978

Milwaukee Railroad Restructuring Act of 1979

Health Planning and Resources Development Amendments of 1979

Rock Island Railroad Transition and Employee Assistance Act of 1980

Rail Act of 1980.

Mr. MATHIAS. Mr. President, as we approach final passage of S. 144, I feel constrained to note one provision of this bill which troubles me. I refer to the amendment to section 305 of the Trade Act of 1974 which exempts, under certain circumstances, information submitted to the U.S. Trade Representative, from disclosure under the Freedom of Information Act.

I do not quarrel with the need to maintain the confidentiality of sensitive commercial data submitted in the context of a Trade Representative investigation. But I am disturbed that we now add yet another exemption to the statute which was originally enacted to provide a uniform standard for open government.

No one knows how many statutes there are on the books which qualify as exemption statutes under the FOIA's exemption 3, which protects data "specifically exempted from disclosure by statute." (5 U.S.C. 552(b)(3)). But certainly there are far too many. Today we add yet another. This is the swiss cheese approach to information policy. It is not surprising that litigation continues to proliferate in the area of these so-called (b)(3) statutes.

This trend is all the more disturbing because it is often unnecessary to enact specific exemption statutes. The exemption in S. 144, which covers "business confidential" information, is surely close to the same thing as the FOIA's own exemption 4, which covers "trade secrets and commercial or financial information obtained from a person and privileged or confidential." (5 U.S.C. 552(b)(4)). But it is not exactly the same thing, and therefore it invites administrative disputes and possibly litigation in order to define the differences.

The time has come to halt the population explosion of (b)(3) statutes. Our goal should be greater predictability and coherence in government information policy, not a patchwork quilt of ad hoc exemptions. One way to accomplish this might be to require that the appropriate committees of the Congress—in the case of this body, the Judiciary Committee—have the opportunity to review every proposed exemption to the Freedom of Information Act. While not a perfect solution, this proposal deserves careful consideration. Perhaps with fewer hands on the tiller, we can steer a truer course in the important area of disclosure of information.

Mr. DANFORTH. Mr. President, I know of no other amendments. However, Senator STEVENS has asked that I put in a quorum call for a short period of time at this point. Therefore, 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. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. President, the legislation before us today represents an important step forward in our national debate over trade policy. Increasingly, we are coming to grips with the fact that our economy has become integrated into a broader and more complex world economy.

As the result, our capacity to generate higher standards of living and more secure employment is increasingly dependent on how well our companies and our workers can compete internationally. And we are coming to realize that we cannot compete effectively in today's world unless we adopt new ways of cooperating among business, labor, and government.

The growing competition of today's international environment has given us only two choices: Emulate the industrial policies of our trading partners or protect our industries behind increasingly high trade walls.

The Reagan administration is trying desperately to ignore this reality. The result is a confused and contradictory trade policy.

Quite simply, our evolving role in the world economy calls for a new trade policy. Even as tariff barriers have declined, our trading partners have responded to the problems of increasing economic integration with a proliferation of nontrade barriers. These barriers increasingly threaten to disrupt international trade flows.

And these barriers are significant. For example, about 14 percent of Japan's imports may require licensing. The comparable figure for the United States is 2 percent. Unspecified quotas cover 16 percent of Japanese imports, but only 6 percent of U.S. imports are similarly covered.

It is clear we are not playing the international trade game on a level field. In recognition of this problem I have introduced legislation, the Fair Trade Act of 1983, to strengthen our capability to respond to the unfair practices of our trading partners.

The bill before us today responds to the same concerns raised in the legislation I have introduced. But we must recognize that this trade legislation responds only partially to the serious competitive problems faced by our economy.

These problems are, indeed, serious. No mix of fiscal and monetary policy can solve them alone. My own State of West Virginia demonstrates the grave difficulties we face in restoring our Nation's competitiveness. Last week the Labor Department announced that the unemployment rate in West Virginia had reached 21 percent. That represents 160,000 workers without jobs. This rate of unemployment is the highest in the Nation and the highest for any State since the Labor Department began keeping track of State unemployment in the 1960's.

Over the past 10 years manufacturing employment in West Virginia has declined by 25 percent—from 127,000 jobs in 1973 to 95,000 in 1982, a loss of 32,000 jobs. This serious erosion of high-paying jobs in my State is not explained by the ups and downs of the business cycle. What is happening here is the gradual deterioration of the manufacturing base of my State's economy.

This deterioration is a consequence of the changing character of competition in the West Virginia economy. Increasingly, West Virginia firms and workers are being exposed to competition from aggressive and capable foreign companies.

There is no doubt that some of the success that these foreign competitors have enjoyed is attributable to trade practices that we would consider unfair or discriminatory. Today's legislation addresses this fact by clarifying the President's authority to respond expeditiously and firmly to these practices.

But we should not be fooled into thinking that our entire problem can be met simply by "getting tough" with our trade partners.

We must recognize that in our failure to undertake the necessary productive investment, we are in danger of losing the competitive edge of our economy. The administration thinks that the answer to this problem is less Government. But we have seen the fallacies of this approach.

The reckless and unfair Kemp-Roth tax scheme has given us unconscionable tax cuts for the wealthy, a deep and prolonged recession, and a legacy of structural budget deficits which threatens our long-term economic recovery.

It is clear that the President is embarked on an economic program that offers no hope for sustained economic growth. It offers no hope because it does not address the fundamental problems of U.S. companies and workers who now must compete in a world economy.

In order to respond to these complex and varied problems, we need to bring all the resources of the public sector to bear in support of productive investment by the private sector. Government efforts to encourage that investment—by stimulating productivity improvements, the development of new products, the expansion of new markets, and the adjustment of communities and workers toward more productive employment—are critical to the future health of our economy. For without productive investment our economy will continue to lose its capacity to generate high-quality, well-paid jobs.

Our trade policy will play a central role in our future industrial policy. Used constructively in coordination with other policies such as tax and antitrust, trade policy can be an important instrument of our future economic growth, not a protectionist tool to freeze our economy.

As a first step to developing a new trade policy, we must recognize that we face not one economic challenge, but several. In basic industries, such as steel and autos, our competition comes primarily from companies in other developed countries. In other markets, such as portions of the textile and apparel industry, the challenge comes from low-wage countries in the developing world. And in the area of emerging technologies—robotics and high-speed computers, for example—our challenge comes from targeted development programs from foreign governments.

A new trade policy must respond to the different needs of these various industries. Today's legislation—by improving our capability to respond to the competitive challenge posed by the industrial policies of other nations—takes us a step down that path. But it is only a first step.

A new trade policy must be sufficiently flexible to recognize that the problems of some firms in the textile industry are different from the competitive problems of firms in high technology sectors, such as supercomputers. In the first case, our trade policy can offer temporary protection for U.S. firms, but this protection must come at a price: In exchange for protection, U.S. firms must agree to invest sufficiently to rebuild their competitive position and protect the job security of their workers. If that investment is not or cannot be made, then the Government must help to insure that an adjustment plan is developed to reduce the costs of unemployment to the affected workers.

In high technology sectors, trade policy faces a different kind of challenge. Here, U.S. firms confront the competition of targeted industrial policies in other nations. To respond, we must follow a two-pronged strategy: We must make clear to our trading partners that U.S. firms will not be unfairly disadvantaged from targeted policies. At the same time, we must lead negotiations to establish the "rules of the game" in acceptable bilateral trading relationships. We have already begun to take small steps in this direction, but without bolder action by the United States our current system of international trade threatens to break down.

We must confront the challenge of industrial policy head on. By continuing to ignore these problems—as the administration appears intent on doing—we risk being seen by our trading partners as increasingly confused and naive.

To outline a framework for our future trade policy I have established an Industrial Policy Task Force, under the auspices of the Senate Democratic Conference and under the chairmanship of Senator KENNEDY. The task force, which will report its recommendations by early summer, is currently considering how the vast array of Government policies that affect business investment can be structured in a more comprehensive and coordinated fashion.

It is a challenging and difficult assignment. But the cost of ignoring this challenge is the continued deterioration of our long-term competitiveness. It is a cost we cannot afford to pay.

Mr. DANFORTH. Mr. President, I move adoption of the committee amendments en bloc.

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc.

The committee amendments were agreed to en bloc.

Mr. DANFORTH. Mr. President, I move third reading.

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 the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The bill having been read the third time, the question is, Shall it pass?

All those in favor will say "aye," opposed, "no."

The ayes appear to have it.

Mr. BYRD. Mr. President, I am considering whether or not to ask for a rollcall vote.

Mr. President, by suggesting the absence of a quorum, I do not give up my right to ask for a rollcall vote.

The PRESIDING OFFICER. The Senator is correct.

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

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

Mr. BYRD. Mr. President, the vote has not yet been announced.

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. BYRD. I thank the Chair. Mr. President, I do not ask for a division or a rollcall vote.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (S. 144), as amended was passed, as follows:

S. 144

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

TITLE I—TRADE ACT OF 1974 AMENDMENTS

SEC. 101. SHORT TITLE; AMENDMENT OF TRADE ACT OF 1974.

(a) SHORT TITLE.—This Act may be cited as the "International Trade and Investment Act".

(b) AMENDMENT OF TRADE ACT OF 1974.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Trade Act of 1974.

SEC. 102. STATEMENT OF PURPOSES.

The purposes of this title are—

(1) to foster the economic growth of, and full employment in, the United States by expanding competitive United States exports through the achievement of commercial opportunities in foreign markets substantially equivalent to those accorded by the United States;

(2) to improve the ability of the President—

(A) to identify and to analyze barriers to (and restrictions on) United States trade and investment, and

(B) to achieve the elimination of such barriers and restrictions;

(3) to encourage the expansion of international trade in services through the negotiation of agreements (both bilateral and multilateral) which reduce or eliminate barriers to international trade in services; and

(4) to enhance the free flow of foreign direct investment through the negotiation of agreements (both bilateral and multilateral) which reduce or eliminate the trade distortive effects of certain investment-related measures.

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SEC. 103. ANALYSIS OF FOREIGN TRADE BARRIERS.

(a) IN GENERAL.—Title I (19 U.S.C. 2111 et seq.) is amended by adding at the end thereof the following new chapter:

"CHAPTER 8—BARRIERS TO MARKET ACCESS

"SEC. 181. ACTIONS CONCERNING BARRIERS TO MARKET ACCESS.

"(a) NATIONAL TRADE ESTIMATES.—

"(1) IN GENERAL.—Not later than the date on which the initial report is required under subsection (b)(1), the United States Trade Representative, through the interagency trade organization established pursuant to section 242(a) of the Trade Expansion Act of 1962:

"(A) identify and analyze acts, policies, or practices which constitute significant barriers to, or distortions of—

"(i) United States exports of goods (including agricultural commodities) or services, and

"(ii) foreign direct investment by United States persons, especially if such investment has implications for trade in goods or services; and

"(B) make an estimate of the trade-distorting impact on United States commerce of any act, policy, or practice identified under subparagraph (A).

"(2) CERTAIN FACTORS TAKEN INTO ACCOUNT IN MAKING ANALYSIS AND ESTIMATE.—In making any analysis or estimate under paragraph (1), the Trade Representative shall take into account—

"(A) the relative impact of the act, policy, or practice on United States commerce;

"(B) the availability of information to document prices, market shares, and other matters necessary to demonstrate the effects of the act, policy, or practice;

"(C) the extent to which such act, policy, or practice is subject to international agreements to which the United States is a party; and

"(D) any advice given through appropriate committees established pursuant to section 135.

"(3) ANNUAL REVISIONS AND UPDATES.—The Trade Representative shall annually revise and update the analysis and estimate under paragraph (1).

"(b) REPORT TO CONGRESS.—

"(1) IN GENERAL.—On or before the date which is one year after the date of the enactment of the International Trade and Investment Act, and each year thereafter, the Trade Representative shall submit the analysis and estimate under subsection (a) to the Committee on Finance of the Senate and to the Committee on Ways and Means of the House of Representatives.

"(2) REPORTS TO INCLUDE INFORMATION WITH RESPECT TO ACTION BEING TAKEN.—The Trade Representative shall include in each report submitted under paragraph (1) information with respect to any action taken (or the reasons for no action taken) to eliminate any act, policy, or practice identified under subsection (a), including, but not limited to—

"(A) any action under section 301, or

"(B) negotiations or consultations with foreign governments.

"(3) CONSULTATION WITH CONGRESS ON TRADE POLICY PRIORITIES.—The Trade Representative shall keep the committees described in paragraph (1) currently informed with respect to trade policy priorities for the purposes of expanding market opportunities.

"(c) ASSISTANCE OF OTHER AGENCIES.—

"(1) FURNISHING OF INFORMATION.—The head of each department or agency of the executive branch of the Government, including any independent agency, is authorized and directed to furnish to the Trade Representative or to the appropriate agency, upon request, such data, reports, and other information as is necessary for the Trade Representative to carry out his functions under this section.

"(2) RESTRICTIONS ON RELEASE OR USE OF INFORMATION.—Nothing in this subsection shall authorize the release of information to, or the use of information by, the Trade Representative in a manner inconsistent with law or any procedure established pursuant thereto.

"(3) PERSONNEL AND SERVICES.—The head of any department, agency, or instrumentality of the United States may detail such personnel and may furnish such services, with or without reimbursement, as the Trade Representative may request to assist in carrying out his functions.".

(b) CONFORMING AMENDMENT.—The table of contents for title I is amended by adding at the end thereof the following:

"CHAPTER 8—BARRIERS TO MARKET ACCESS

"Sec. 181. Actions concerning barriers to market access.".

SEC. 104. AMENDMENTS TO TITLE III OF THE TRADE ACT OF 1974.

(a) PRESIDENTIAL ACTION IN THE CASE OF UNFAIR TRADE PRACTICES.—Section 301(a) (19 U.S.C. 2411(a)) is amended to read as follows:

"(a) DETERMINATIONS REQUIRING ACTION.—

"(1) IN GENERAL.—If the President determines that action by the United States is appropriate—

"(A) to enforce the rights of the United States under any trade agreement; or

"(B) to respond to any act, policy, or practice of a foreign country or instrumentality that—

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

"(ii) is unjustifiable, unreasonable, or discriminatory and burdens or restricts United States commerce;

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

"(2) SCOPE OF ACTION.—The President may exercise his authority under this section with respect to any goods or sector—

"(A) on a nondiscriminatory basis or solely against the foreign country or instrumentality involved, and

"(B) without regard to whether or not such goods or sector were involved in the act, policy, or practice identified under paragraph (1).".

(b) OTHER ACTION BY PRESIDENT.—Section 301(b) (19 U.S.C. 2411(b)) is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) in paragraph (2)—

(A) by inserting "notwithstanding any other provision of law," before "impose";

(B) by striking out "products" and inserting in lieu thereof "goods"; and

(C) by striking out the period and inserting in lieu thereof a semicolon and "and"; and

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

"(3) propose legislation where necessary and appropriate to carry out the objectives of subsection (a).

Any legislation proposed under paragraph (3) shall be treated as an implementing bill pursuant to the provisions of section 151, except that, for purposes of section 151(c)(1), no trade agreement shall be required and the day on which the implementing bill is submitted shall be treated as the day on which the trade agreement is submitted. The President shall notify Congress, and publish notice in the Federal Register, of his intention to propose legislation under paragraph (3) at least 90 days before the implementing bill is submitted.".

(c) INITIATION OF INVESTIGATIONS BY OR ON MOTION OF TRADE REPRESENTATIVE.—

(1) IN GENERAL.—Section 302 (19 U.S.C. 2412) is amended to read as follows:

"SEC. 302. INITIATION OF INVESTIGATIONS BY UNITED STATES TRADE REPRESENTATIVE.

"(a) FILING OF PETITION.—

"(1) IN GENERAL.—Any interested person may file a petition with the United States Trade Representative (hereinafter in this chapter referred to as the 'Trade Representative') requesting the President to take action under section 301 and setting forth the allegations in support of the request.

"(2) REVIEW OF ALLEGATIONS.—The Trade Representative shall review the allegations in the petition and, not later than 45 days after the date on which he received the petition, shall determine whether to initiate an investigation.

"(b) DETERMINATIONS REGARDING PETITIONS.—

"(1) NEGATIVE DETERMINATION.—If the Trade Representative determines not to initiate an investigation with respect to a petition, he shall inform the petitioner of the reasons therefor and shall publish notice of the determination, together with a summary of such reasons, in the Federal Register.

"(2) AFFIRMATIVE DETERMINATION.—If the Trade Representative determines to initiate an investigation with respect to a petition, he shall initiate an investigation regarding the issues raised. The Trade Representative shall publish a summary of the petition in the Federal Register and shall, as soon as possible, provide opportunity for the presentation of views concerning the issues, including a public hearing—

"(A) within the 30-day period after the date of the determination (or on a date after such period if agreed to by the petitioner) if a public hearing within such period is requested in the petition; or

"(B) at such other time if a timely request therefor is made by the petitioner.

"(c) DETERMINATION TO INITIATE BY MOTION OF TRADE REPRESENTATIVE.—

"(1) DETERMINATION TO INITIATE.—If the Trade Representative determines with respect to any matter that an investigation should be initiated in order to advise the President concerning the exercise of the President's authority under section 301, the Trade Representative shall publish such determination in the Federal Register and such determination shall be treated as an affirmative determination under subsection (b)(2).

"(2) CONSULTATION BEFORE INITIATION.—The Trade Representative shall, before making any determination under paragraph (1), consult with appropriate committees established pursuant to section 135.".

(2) CONFORMING AMENDMENTS.—

(A) Section 141(d) is amended—

(i) by striking out "and" at the end of paragraph (6),

(ii) by striking out the period at the end of paragraph (7) and inserting in lieu thereof a semicolon and "and", and

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

"(8) provide, where authorized by law, copies of documents to persons at cost, except that any funds so received shall be credited to, and be available for use from, the account from which expenditures relating thereto were made.".

(B) Section 303 (19 U.S.C. 2413) is amended—

(i) by striking out "with respect to a petition";

(ii) by inserting "or the determination of the Trade Representative under section 302(c)(1)" after "in the petition"; and

(iii) by inserting "(if any)" after "petitioner".

(C) Section 304 (19 U.S.C. 2414) is amended by striking out "issues raised in the petition" and inserting in lieu thereof "matters under investigation" in paragraph (1) of subsection (a).

(D) The item relating to section 302 in the table of contents is amended to read as follows:

"Sec. 302. Initiation of investigations by United States Trade Representative.".

(d) EXTENSION OF TIME FOR REQUESTS FOR CONSULTATIONS.—Section 303 (19 U.S.C. 2413) is amended—

(1) by inserting "(a) IN GENERAL.—" before "On"; and

(2) by adding at the end thereof the following new subsection:

"(b) DELAY OF REQUEST FOR CONSULTATIONS FOR UP TO 90 DAYS.—

"(1) IN GENERAL.—Notwithstanding the provisions of subsection (a)—

"(A) the United States Trade Representative may delay for up to 90 days any request for consultations under subsection (a) for the purpose of verifying or improving the petition to ensure an adequate basis for consultation, and

"(B) if such consultations are delayed by reason of subparagraph (A), each time limitation under section 304 shall be extended for the period of such delay.

"(2) NOTICE AND REPORT.—The Trade Representative shall—

"(A) publish notice of any delay under paragraph (1) in the Federal Register, and

"(B) report to Congress on the reasons for such delay in the report required by section 306.".

(e) DEFINITIONS.—

(1) COMMERCE DEFINED.—Paragraph (1) of section 301(d) (19 U.S.C. 301(d)) is amended to read as follows:

"(1) DEFINITION OF COMMERCE.—The term 'commerce' includes, but is not limited to—

"(A) services associated with international trade, whether or not such services are related to specific goods, and

"(B) foreign direct investment by United States persons with implications for trade in goods or services.".

(2) UNREASONABLE, UNJUSTIFIABLE, AND DISCRIMINATORY DEFINED.—Section 301(d) (19 U.S.C. 2411(d)) is amended by adding at the end thereof the following new paragraphs:

"(3) DEFINITION OF UNREASONABLE.—The term 'unreasonable' means any act, policy, or practice which, while not necessarily in violation of or inconsistent with the international legal rights of the United States, is otherwise deemed to be unfair and inequitable. The term includes, but is not limited to, any act, policy, or practice which denies fair and equitable—

"(A) market opportunities;

"(B) opportunities for the establishment of an enterprise; or

"(C) provision of adequate protection of intellectual property rights.

"(4) DEFINITION OF UNJUSTIFIABLE.—

"(A) IN GENERAL.—The term 'unjustifiable' means any act, policy, or practice which is in violation of, or inconsistent with, the international legal rights of the United States.

"(B) CERTAIN ACTIONS INCLUDED.—The term 'unjustifiable' includes, but is not limited to, any act, policy, or practice described in subparagraph (A) which denies national or most-favored-nation treatment, the right of establishment, or protection of intellectual property rights.

"(5) DEFINITION OF DISCRIMINATORY.—The term 'discriminatory' includes where appropriate any act, policy, or practice which denies national or most-favored-nation treatment to United States goods, services, or investment.".

(3) CONFORMING AMENDMENT.—Section 301(d) (19 U.S.C. 2411(d)) is amended by striking out the heading and inserting in lieu thereof:

"(d) DEFINITIONS; SPECIAL RULE FOR VESSEL CONSTRUCTION SUBSIDIES.—For purposes of this section—".

(f) AMENDMENTS TO SECTION 305.—Section 305 of the Trade Act of 1974 (19 U.S.C. 2415) is amended by adding at the end thereof the following new subsection:

"(c) CERTAIN BUSINESS INFORMATION NOT MADE AVAILABLE.—

"(1) IN GENERAL.—Except as provided in paragraph (2), and notwithstanding any other provision of law (including section 552 of title 5, United States Code), no information requested and received by the Trade Representative in aid of any investigation under this chapter shall be made available to any person if—

"(A) the person providing such information certifies that—

"(i) such information is business confidential,

"(ii) the disclosure of such information would endanger trade secrets or profitability, and

"(iii) such information is not generally available;

"(B) the Trade Representative determines that such certification is well-founded; and

"(C) to the extent required in regulations prescribed by the Trade Representative, the person providing such information provides an adequate nonconfidential summary of such information.

"(2) USE OF INFORMATION.—The Trade Representative may—

"(A) use such information, or make such information available (in his own discretion) to any employee of the Federal Government for use, in any investigation under this chapter, or

"(B) may make such information available to any other person in a form which cannot be associated with, or otherwise identify, the person providing the information.".

SEC. 105. NEGOTIATING OBJECTIVES WITH RESPECT TO INTERNATIONAL TRADE IN SERVICES AND INVESTMENT AND HIGH TECHNOLOGY INDUSTRIES.

(a) NEGOTIATING OBJECTIVES.—

(1) IN GENERAL.—Chapter 1 of title I is amended by inserting immediately after section 104 the following new section:

"SEC. 104A. NEGOTIATING OBJECTIVES WITH RESPECT TO TRADE IN SERVICES, FOREIGN DIRECT INVESTMENT, AND HIGH TECHNOLOGY PRODUCTS.

"(a) TRADE IN SERVICES.—Principal United States negotiating objectives under section 102 shall be—

"(1) to reduce or to eliminate barriers to, or other distortions of, international trade in services (particularly United States service sector trade in foreign markets), including barriers that deny national treatment and the rights of establishment and operation in such markets; and

"(2) to develop internationally agreed rules, including dispute settlement procedures, which—

"(A) are consistent with the commercial policies of the United States, and

"(B) will reduce or eliminate such barriers or distortions and help ensure open international trade in services.

"(b) FOREIGN DIRECT INVESTMENT.—Principal United States negotiating objectives under section 102 shall be—

"(1) to reduce or to eliminate artificial or trade-distorting barriers to foreign direct investment, to expand the principle of national treatment, and to reduce unreasonable barriers to establishment; and

"(2) to develop internationally agreed rules, including dispute settlement procedures, which—

"(A) will help ensure a free flow of foreign direct investment, and

"(B) will reduce or eliminate the trade distortive effects of certain investment related measures.

"(c) HIGH TECHNOLOGY PRODUCTS.—Principal United States negotiating objectives shall be—

"(1) to obtain and preserve the maximum openness with respect to international trade and investment in high technology products and related services;

"(2) to obtain the elimination or reduction of, or compensation for, the significantly distorting effects of, foreign government acts, policies, or practices identified in section 181, with particular consideration given to the nature and extent of foreign government intervention affecting United States exports of high technology products or investments in high technology industries, including—

"(A) foreign industrial policies which distort international trade or investment;

"(B) measures which deny national treatment or otherwise discriminate in favor of domestic high technology industries;

"(C) measures which impair access to domestic markets for key commodity products; and

"(D) measures which facilitate or encourage anticompetitive market practices or structures;

"(3) to obtain commitments that official policy of foreign countries or instrumentalities will not discourage government or private procurement of foreign high technology products and related services;

"(4) to obtain the reduction or elimination of all tariffs on, and other barriers to, United States exports of high technology products and related services;

"(5) to obtain commitments to foster national treatment;

"(6) to obtain commitments to—

"(A) foster the pursuit of joint scientific cooperation between companies, institutions or governmental entities of the United States and those of the trading partners of the United States in areas of mutual inter-

est through such measures as financial participation and technical and personnel exchanges, and

"(B) ensure that access by all participants to the results of any such cooperative efforts should not be impaired; and

"(7) to provide effective minimum safeguards for the acquisition and enforcement of intellectual property rights and the property value of proprietary data.

"(d) DEFINITION OF BARRIERS AND OTHER DISTORTIONS.—For purposes of subsection (a), the term 'barriers to, or other distortions of, international trade in services' includes, but is not limited to—

"(1) barriers to the right of establishment in foreign markets, and

"(2) restrictions on the operation of enterprises in foreign markets, including—

"(A) direct or indirect restrictions on the transfer of information into, or out of, the country or instrumentality concerned, and

"(B) restrictions on the use of data processing facilities within or outside of such country or instrumentality.".

(2) CONFORMING AMENDMENT.—The table of contents for chapter 1 of title I is amended by inserting after the item relating to section 104 the following new item:

"Sec. 104A. Negotiating objectives with respect to trade in services, foreign direct investment, and high technology products.".

SEC. 106. PROVISIONS RELATING TO INTERNATIONAL TRADE IN SERVICES.

(a) COORDINATION OF UNITED STATES POLICIES.—

(1) IN GENERAL.—The United States Trade Representative, through the interagency trade organization established pursuant to section 242(a) of the Trade Expansion Act of 1962 or any subcommittee thereof, shall, in conformance with other provisions of law, develop (and coordinate the implementation of) United States policies concerning trade in services.

(2) FEDERAL AGENCIES.—In order to encourage effective development and coordination of United States policies on trade in services, each department or agency of the United States responsible for the regulation of any service sector industry shall, as appropriate, advise and work with the United States Trade Representative concerning matters that have come to the department's or agency's attention with respect to—

(A) the treatment afforded United States service sector interests in foreign markets, or

(B) allegations of unfair practices by foreign governments or companies in a service sector.

(3) NO ALTERATION OF EXISTING AUTHORITY.—Nothing in this section shall be construed to alter any existing authority or responsibility with respect to any specific service sector.

(b) SERVICE INDUSTRIES DEVELOPMENT PROGRAM.—

(1) IN GENERAL.—The Secretary of Commerce is authorized to establish a service industries development program. Such program shall be designed to—

(A) promote the competitiveness of United States service firms and American employees through appropriate economic policies;

(B) promote actively the use and sale of United States services abroad and develop trade opportunities for United States service firms;

(C) develop a data base for policymaking pertaining to services;

(D) collect and analyze, in consultation with appropriate agencies, information pertaining to the international operations and competitiveness of United States service industries, including information with respect to—

(i) United States regulation of service industries;

(ii) tax treatment of services, with particular emphasis on the effect of United States taxation on the international competitiveness of United States firms and exports;

(iii) antitrust policies as such policies affect the competitiveness of United States firms;

(iv) treatment of services in international agreements of the United States; and

(v) adequacy of current United States export promotion activities in the service sector. For purposes of the collection and analysis required by this subsection, and for the purpose of any reporting the Department of Commerce makes to the Congress of the United States, such collection and reporting shall distinguish between income from investment and income from noninvestment services; related issues by the United States Trade Representative and the domestic implementation of service-related agreements;

(F) collect such statistical information on the domestic service sector as may be necessary for the development of governmental policies toward the service sector;

(G) conduct sectoral studies of domestic service industries;

(H) collect comparative international information on service industries and policies of foreign governments toward services;

(I) develop policies to strengthen the export competitiveness of domestic service industries;

(J) conduct a program of research and analysis of service-related issues and problems, including forecasts and industrial strategies; and

(K) provide statistical, analytical, and policy information to State and local governments and service industries.

(2) AVAILABILITY OF FUNDS.—The Secretary of Commerce shall carry out the program under this subsection from funds otherwise made available to him which may be used for such purposes.

(c) COORDINATION WITH STATES.—

(1) STATEMENT OF POLICY.—It is the policy of Congress that the President shall, as he deems appropriate—

(A) consult with State governments on issues of trade policy affecting the regulatory authority of non-Federal governments, or their procurement of goods and services; and

(B) establish one or more intergovernmental policy advisory committees on trade which shall serve as a principal forum in which State and local governments may consult with the Federal Government with respect to the matters described in subparagraph (A).

(2) ESTABLISHMENT OF NON-FEDERAL GOVERNMENTAL TRADE ADVISORY COMMITTEES.—Section 135 (19 U.S.C. 2155) is amended—

(A) by inserting "and the non-Federal governmental sector" after "private sector" in subsection (a),

(B) by adding at the end of subsection (c) the following new paragraph:

"(3) The President—

"(A) may establish policy advisory committees representing non-Federal governmental interests to provide, where the President finds it necessary, policy advice—

"(i) on matters referred to in subsection (a), and

"(ii) with respect to implementation of trade agreements, and

"(B) shall include as members of committees established under paragraph (2) representatives of non-Federal governmental interests where he finds such inclusion appropriate after consultation by the Trade Representative with such representatives.";

(C) by inserting "or non-Federal government" after "private" each place it appears in subsections (g) and (j);

(D) by inserting "government," before "labor" in subsection (j); and

(E) by adding at the end thereof the following new subsection:

"(m) NON-FEDERAL GOVERNMENT DEFINED.—The term 'non-Federal government' means—

"(1) any State, territory, or possession of the United States, or the District of Columbia, or any political subdivision thereof, or

"(2) any agency or instrumentality of any entity described in paragraph (1).."; and

(F) by inserting "or Public" after "Private" in the heading thereof.

(3) CONFORMING AMENDMENTS.—

(A) Section 104(c) (19 U.S.C. 2114(c)) is amended by inserting "or non-Federal governmental" after "private".

(B) Sections 303 (19 U.S.C. 2413) and 304(b)(2) (19 U.S.C. 2414(b)(2)) are each amended by striking out "private sector".

(C) The table of sections for chapter 3 of title I is amended by inserting "and public" after "private" in the item relating to section 135.

SEC. 107. NEGOTIATING AUTHORITY WITH RESPECT TO FOREIGN DIRECT INVESTMENT.

Paragraph (3) of section 102(g) (19 U.S.C. 2112(g)(3)) is amended to read as follows:

"(3) the term 'international trade' includes—

"(A) trade in both goods and services, and

"(B) foreign direct investment by United States persons, especially if such investment has implications for trade in goods and services.".

SEC. 108. NEGOTIATION OF AGREEMENTS CONCERNING HIGH TECHNOLOGY INDUSTRIES.

(a) AUTHORIZATION TO ENTER INTO AGREEMENTS.—The President may enter into such bilateral or multilateral agreements as may be necessary or appropriate to achieve the objectives of this section and the negotiating objectives under section 104A(c) of the Trade Act of 1974.

(b) MODIFICATION OR CONTINUANCE OF DUTIES.—

(1) IN GENERAL.—Chapter 2 of title I is amended by inserting at the end thereof the following new section:

"SEC. 128. MODIFICATION AND CONTINUANCE OF TREATMENT WITH RESPECT TO DUTIES ON HIGH TECHNOLOGY PRODUCTS.

"(a) In order to carry out any agreement concluded as a result of the negotiating objectives under section 104A(c), the President may proclaim, subject to the provisions of chapter 3—

"(1) such modification, elimination, or continuance of any existing duty, duty-free, or excise treatment, or

"(2) such additional duties,

as he deems appropriate.

"(b) The President shall exercise his authority under subsection (a) only with respect to the following items listed in the Tariff Schedules of the United States (19 U.S.C. 1202):

"(1) Accounting, computing, and other data processing machines provided for in item 676.15.

"(2) Data processing machines provided for in item 676.30.

"(3) Transistors provided for in item 687.70.

"(4) Monolithic integrated circuits provided for in item 687.74.

"(5) Integrated circuits provided for in item 687.77.

"(6) Electronic components provided for in item 687.81.

"(c) TERMINATION.—The President may exercise his authority under this section only during the 5-year period beginning on the date of the enactment of the International Trade and Investment Act.".

(2) CONFORMING AMENDMENT.—The table of contents of chapter 1 of title I is amended by adding at the end thereof the following new item:

"Sec. 128. Modification and continuance of treatment with respect to duties on high technology products.".

SEC. 109. STUDY ON HONEY IMPORTS.

(a) The Congress finds that—

(1) in 1976 the International Trade Commission found that honey imports threatened serious injury to the domestic honey industry and recommended action to control honey imports,

(2) the domestic honey industry is essential for production of many agricultural crops,

(3) a significant part of our total diet is dependent directly or indirectly on insect pollination,

(4) it is imperative that the domestic honey bee industry be maintained at a level sufficient to provide crop pollination.

(b) It is the sense of the Congress that the Secretary of Agriculture should promptly request the President to call for an International Trade Commission investigation of honey imports, under section 22 of the Agriculture Adjustment Act.

TITLE II—WITHHOLDING ON INTEREST, DIVIDENDS, AND PATRONAGE DIVIDENDS

SEC. 201. AMENDMENT OF 1954 CODE.

Except as otherwise expressly provided, whenever in this title an amendment is expressed in terms of an amendment to 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. 202. DELAY IN WITHHOLDING ON INTEREST AND DIVIDENDS.

Section 308 of the Tax Equity and Fiscal Responsibility Act of 1982 (relating to effective dates and special rules involving withholding on interest and dividends) is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) IN GENERAL.—Except as otherwise provided in this section, the amendments made by this subtitle shall apply to interest, dividends, and patronage dividends paid or credited after June 30, 1987.

"(b) WITHHOLDING ON INTEREST, DIVIDENDS, AND PATRONAGE DIVIDENDS NOT TO TAKE EFFECT IF COMPLIANCE SUBSTANTIALLY IMPROVES.—

"(1) STUDY BY COMPTROLLER GENERAL.—The Comptroller General of the United States shall conduct a study with respect to the collection of taxes on interest, dividends, and patronage dividends.

"(2) DETERMINATION OF PERCENTAGE OF COMPLIANCE.—In connection with the study under paragraph (1), the Comptroller General shall compute the percentage determined by dividing—

"(A) the amount of interest, dividends, and patronage dividends which the Comptroller General reasonably estimates was shown on returns of tax imposed by subtitle A of the Internal Revenue Code of 1954—

"(i) which were required to be filed by individuals for taxable years which begin in 1985, and

"(ii) which were filed within the time prescribed by law (determined with regard to any extension) and before August 15, 1986, by

"(B) the aggregate amount of interest, dividends, and patronage dividends which the Comptroller General reasonably estimates was required to be shown on returns described in subparagraph (A) (without regard to clause (ii) thereof).

"(3) REPORT TO CONGRESS.—Not later than January 1, 1987, the Comptroller General shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the results of the study conducted under paragraph (1) and the percentage determined under paragraph (2).

"(4) WITHHOLDING NOT IMPLEMENTED IF COMPLIANCE SUBSTANTIALLY IMPROVED.—

"(A) IN GENERAL.—If the percentage determined under paragraph (2) is 95 percent or greater, then the amendments made by this subtitle shall not apply to any interest, dividends, or patronage dividends paid or credited after June 30, 1987.

"(B) WITHHOLDING TO APPLY IF COMPLIANCE NOT SUBSTANTIALLY IMPROVED AND CONGRESS AGREES.—If subparagraph (A) does not apply, the amendments made by this subtitle shall apply to any interest, dividends, or patronage dividends paid or credited after June 30, 1987, only if both Houses of Congress adopt, before April 1, 1987, a concurrent resolution, the matter after the resolving clause of which is as follows: 'That the Congress approves of the determination of the Comptroller General under section 308(a)(2) of the Tax Equity and Fiscal Responsibility Act of 1982 that the compliance percentage for payment of taxes on interest, dividends, and patronage dividends is less than 95 percent.'.

"(C) EXPEDITED PROCEDURE.—

"(i) EXPEDITED RULES TO APPLY.—The rules of subsections (c) through (g) of section 151 of the Trades Act of 1974 (19 U.S.C. 2191) shall apply to a resolution described in subparagraph (B)(ii) in the same manner as such rules apply to an implementing revenue bill, except that subsection (e)(3) of such section 151 shall not apply and such resolution, upon introduction in the Senate and the House of Representatives, shall be referred to the Committee on Finance and the Committee on Ways and Means, respectively.

"(ii) IN GENERAL.—The provisions of this subparagraph are enacted by the Congress—

"(I) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they are deemed a part of the rules of each House, respectively and they supercede other rules only to the extent that they are inconsistent therewith, and

"(II) with full recognition of the constitutional right of either House to change the rules at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

"(5) ACTION BY COMPTROLLER IF CONGRESS DISAPPROVES EARLIER REPORT.—If both Houses of Congress do not adopt the resolution described in paragraph (4)(B)(ii) before April 1, 1987—

"(A) the Comptroller General shall, not later than January 1, 1988, resubmit the percentage determined under paragraph (2) (taking into account any revised data) and report such percentage to the committees described in such paragraph, and

"(B) if the percentage is less than 95 percent, the amendments made by this subtitle shall apply to interest, dividends, or patronage dividends paid or credited after June 30, 1988, if both Houses of Congress, before April 1, 1988, adopt a resolution described in paragraph (4)(B)(ii).

"(6) DEFINITIONS.—For purposes of this subsection, the terms 'interest', 'dividends', and 'patronage dividends' have the same meanings given such terms by sections 6049(b), 6042(b), and 3454(c) of the Internal Revenue Code of 1954, respectively.", and

(2) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively.

SEC. 203. APPLICATION OF BACKUP WITHHOLDING RULES TO CERTAIN PAYMENTS.

(a) IN GENERAL.—Section 3402(s) (relating to extension of withholding to certain payments where indentifying number not furnished or inaccurate) is amended by adding at the end thereof the following new paragraph:

"(6) SPECIAL RULES FOR BACKUP WITHHOLDING ON INTEREST, DIVIDENDS, AND PATRONAGE DIVIDENDS NOT REPORTED ON RETURN.—

"(A) IN GENERAL.—If the Secretary determines that any payee failed—

"(i) to include in any return of tax required to be filed for any taxable year more than $50 of any backup withholding payments which—

"(I) are described in clause (iii), (iv), or (vi) of paragraph (3)(A) of this subsection, and

"(II) are required to be included in such return, or

"(ii) to file the return of tax in which such payments are required to be included.

the Secretary shall notify the payors of the payments described in subclause (I) of the requirement to deduct and withhold under paragraph (1) (but not the reason therefor).

"(B) NOTICE TO PAYEE.—

"(i) NOTICE BY SECRETARY.—At the same time as the Secretary notifies the payor under subparagraph (A), the Secretary shall notify the payee of—

"(I) the Secretary's determination under subparagraph (A) (and the reasons therefor), and

"(II) the requirement that the payor deduct and withhold tax under this subsection.

"(ii) 45-DAY PERIOD TO RESPOND.—The Secretary shall prescribe procedures which allow the payee to respond to the notice received under clause (i) within 45 days of receipt of such notice.

"(iii) NOTICE BY PAYOR.—Any payor required to withhold any tax under paragraph (1)(C) shall, at the time such withholding begins, notify the payee of such withholding.

"(C) CESSATION OF WITHHOLDING.—If—

"(i) there was no failure under subparagraph (A),

"(ii) any such failure (including the payment of any tax, penalty, or interest with

respect to such failure) has been corrected, or

"(iii) the payee establishes to the satisfaction of the Secretary that any such failure will not occur again and that withholding under paragraph (1) would cause undue hardship to such payee,

then the Secretary shall notify payors withholding under paragraph (1)(C) to cease such withholding.".

(b) 20-PERCENT BACKUP WITHHOLDING IN CASES WHERE INTEREST, DIVIDEND, AND PATRONAGE DIVIDEND PAYMENTS INVOLVED.—Section 3402(s)(5) (relating to definitions and special rules) is amended by adding at the end thereof the following new subparagraph:

"(K) WITHHOLDING AT 20 PERCENT IN FAILURE INVOLVING INTEREST, DIVIDENDS, OR PATRONAGE DIVIDENDS.—In the case of any withholding required under—

"(i) paragraph (1)(C), or

"(ii) subparagraph (A) or (B) of paragraph (1) to the extent the taxpayer identification number involved relates to a return described in clause (iii), (iv), or (vi) of paragraph (3)(A),

paragraph (1) shall be applied by substituting '20 percent' for '15 percent'.".

(c) MINIMUM PENALTY FOR FAILURE TO IMPLEMENT BACKUP WITHHOLDING.—Section 6672 (relating to penalty for failure to collect and pay over tax, etc.) is amended by adding at the end thereof the following new subsection:

"(c) MINIMUM PENALTY FOR FAILURE TO IMPLEMENT BACKUP WITHHOLDING.—In the case of any failure to deduct and withhold a tax under section 3402(s)(1)(C), there is hereby imposed a penalty equal to $100, less the amount of the penalty under subsection (a) with respect to such failure.".

(d) SECRETARY MAY REQUIRE PAYORS TO GET NOTICE.—Section 3402(s)(5) (relating to definitions and special rules), as amended by subsection (b), is amended by adding at the end thereof the following new subparagraph:

"(L) FORM OF NOTICE.—

"(i) IN GENERAL.—The Secretary may prescribe regulations which provide that notice may be given under paragraph (1)(B) or (C) by requiring payors to compare the tax identification numbers or names and taxpayer identification numbers of all payees of such payor with a list of such numbers or such names and numbers maintained by the Secretary and with respect to which withholding is required under this subsection.

"(ii) USE OF LIST BY PAYOR.—Any payor (or agent thereof) may use any information obtained from the list described in subparagraph (A) solely for the purpose of meeting any requirement of such payor under this subsection.

"(iii) CROSS REFERENCE.—For civil actions involving misuse of taxpayer return information, see section 7431.".

(e) CONFORMING AMENDMENTS.—Subsection (s) of section 3402 (relating to extension of withholding to certain payments where identifying number not furnished or inaccurate) is amended—

(1) in paragraph (1)—

(A) by striking out "or" at the end of subparagraph (A),

(B) by inserting "or" at the end of subparagraph (B), and

(C) by inserting after subparagraph (B) the following new subparagraph:

"(C) the Secretary notifies the payor under paragraph (6)(A),",

(2) by redesignating subparagraph (C) of paragraph (2) as subparagraph (D) and by inserting after subparagraph (B) of paragraph (2) the following new subparagraph:

"(C) FAILURE TO INCLUDE CERTAIN AMOUNTS IN INCOME.—In the case of any failure described in subparagraph (C) of paragraph (1), paragraph (1) shall apply to any backup withholding payment made during the period—

"(i) beginning on the 61st day after the day on which the payor was notified by the Secretary of such failure, and

"(ii) ending on the day on which the Secretary notifies the payor under paragraph (6)(C) to cease withholding.",

(3) in subparagraph (D) of paragraph (2), as redesignated by paragraph (2), by striking out "or (B)" in clause (i) and inserting in lieu thereof ", (B), or (C)", and

(4) by inserting "OR TO CERTAIN INTEREST, DIVIDEND, OR PATRONAGE DIVIDEND PAYMENTS NOT REPORTED" after "Inaccurate" in the caption thereof.

SEC. 204. RETURNS ON MAGNETIC TAPE.

Subsection (e) of section 6011 (relating to regulations requiring returns on magnetic tape, etc.) is amended—

(1) by inserting "(1) IN GENERAL.—" before the first sentence thereof, and

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

"(2) CERTAIN RETURNS MUST BE FILED ON MAGNETIC MEDIA.—In the case of any person who is required to file more than 50 returns under section 6042(a), 6044(a), or 6049(a) for any calendar year, all returns under such section shall be on magnetic media.".

SEC. 205. PENALTY FOR FAILURE BY PAYORS TO MEET CERTAIN REPORTING REQUIREMENTS.

(a) IN GENERAL.—Subsection (a) of section 6676 (relating to failure to supply identifying numbers) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

"(2) PENALTY FOR FAILURE TO SUPPLY CORRECT TIN ON CERTAIN RETURNS.—

"(A) IN GENERAL.—If any person—

"(i) is required to include in any return required to be filed under section 6042, 6044, or 6049 with respect to another person the taxpayer identification number of such other person, and

"(ii) fails to include such number or includes an incorrect number,

then, in lieu of any penalty under paragraph (1), such person shall pay a penalty for each such failure equal to the greater of (I) $50, or (III) 5 percent of the amount required to be included in the return to which such failure relates.

"(B) INCREASED PENALTY FOR SUBSTANTIAL NONCOMPLIANCE.—

"(i) IN GENERAL.—In the case of a person who is described in clause (ii) for any calendar year, subparagraph (A) shall be applied with respect to returns relating to such calendar year by substituting '$100' for '$50' and '10 percent' for '5 percent'.

"(ii) SUBSTANTIAL NONCOMPLIANCE.—For purposes of this subparagraph, a person is described in this clause if, with respect to such person, the sum of the number of failures under this paragraph and section 6652 (a)(3) for any calendar year exceeds the lesser of—

"(I) 10,000, or

"(II) 15 percent of the number of returns required to be filed under section 6042, 6044, or 6049 by such person with respect to such calendar year.

"(C) NO PENALTY IN CERTAIN CASES.—No penalty shall be imposed under this paragraph—

"(i) if the taxpayer identification number included on the return is the number provided after December 31, 1982, under penalty of perjury, by the person with respect to whom such return relates unless, under regulations prescribed by the Secretary, such number is obviously incorrect, or

"(ii) for any period during which a person is waiting for receipt of a taxpayer identification number from the Secretary.".

(b) FAILURE TO FILE STATEMENTS.—Subsection (a) of section 6652 (relating to returns relating to information at source, payments of dividends, etc., and certain transfers of stock) is amended—

(1) in paragraph (1)(A)—

(A) by striking out clauses (ii), (iii), and (iv) and by redesignating clauses (v) and (vi) as clauses (ii) and (iii), and

(B) by striking out "6042(e), 6044(f), 6049(e), or" in clause (iii), as so redesignated, and

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

"(3) FAILURE TO FILE CERTAIN STATEMENTS.—

"(A) IN GENERAL.—In the case of any person who fails to file 1 or more returns or statements under section 6042, 6044, or 6049 on the date prescribed therefor (determined with regard to any extension of time for filing), such person shall pay (upon notice and demand by the Secretary and in the same manner as a tax) for each such failure an amount equal to the greater of—

"(i) $100, or

"(ii) 7.5 percent of the amount required to be reported on the statement.

"(B) INCREASED PENALTY FOR SUBSTANTIAL NONCOMPLIANCE.—In the case of a person who is described in section 6676(a)(2)(B)(ii), subparagraph (A) shall be applied by substituting '$200' for '$100' and '15 percent' for '7.5 percent'.".

SEC. 206. DUPLICATE STATEMENTS REQUIRED TO BE FURNISHED ON RETURN.

(a) INTEREST.—

(1) DUPLICATE STATEMENT REQUIRED ON RETURN.—Section 6049(c) (relating to statements regarding payment of interest) is amended by adding at the end thereof the following new paragraph:

"(4) DUPLICATE STATEMENT TO BE INCLUDED IN RETURN OF PERSON WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—A duplicate of the statement required to be furnished to a person under paragraph (1) shall be included with the return of the person receiving such statement for the taxable year which ends with or within the calendar year to which the statement relates.".

(2) FORM AND METHOD OF MAILING STATEMENT.—Section 6049(c)(2) (relating to time statement must be furnished) is amended to read as follows:

"(2) TIME AND FORM OF STATEMENT.—The written statement under paragraph (1) shall—

"(A) be furnished (either in person or by first-class mail) to the person on or before January 31 of the year following the calendar year for which the return under subsection (a) was made, and

"(B) shall, under regulations prescribed by the Secretary, be in a form similar to the form of statements required under section 6041(d).".

(b) DIVIDENDS.—

(1) DUPLICATE STATEMENT REQUIRED ON RETURN.—Section 6042 of such Code (relating to returns regarding payments of dividends) is amended by adding at the end thereof the following new subsection:

"(e) DUPLICATE STATEMENT TO BE INCLUDED IN RETURN OF PERSON WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—A duplicate of the statement required to be furnished to a person under subsection (c) shall be included with the return of the person receiving such statement for the taxable year which ends with or within the calendar year to which the statement relates.".

(2) FORM AND METHOD OF MAILING STATEMENT.—The second sentence of section 6042 (c) (relating to time statement must be furnished) is amended to read as follows: "The written statement required under the preceding sentence shall be furnished (either in person or by first-class mail) to the person on or before January 31 of the year following the calendar year for which the return under subsection (a) was made, and shall, under regulations prescribed by the Secretary, be in a form similar to the form of statements required under section 6041 (d).".

(c) PATRONAGE DIVIDENDS.—

(1) DUPLICATE STATEMENT REQUIRED ON RETURN.—Section 6044 of such Code (relating to returns regarding payment of patronage dividends) is amended by adding at the end thereof the following new subsection:

"(f) DUPLICATE STATEMENT TO BE INCLUDED IN RETURN OF PERSON WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—A duplicate of the statement required to be furnished to a person under subsection (e) shall be included with the return of the person receiving such statement for the taxable year which ends with or within the calendar year to which the statement relates.".

(2) FORM AND METHOD OF MAILING STATEMENT.—The second sentence of section 6044 (e) (relating to time statement must be furnished) is amended to read as follows: "The written statement required under the preceding sentence shall be furnished (either in person or by first-class mail) to the person on or before January 31 of the year following the calendar year for which the return under subsection (a) was made, and shall, under regulations prescribed by the Secretary, be in a form similar to the form of statements required under section 6041(d).".

(d) PENALTIES FOR FAILURE TO INCLUDE STATEMENT ON RETURN.—

(1) IN GENERAL.—Section 6678 (relating to failure to furnish certain statements) is amended—

(A) by inserting "(a) IN GENERAL.—" before "In the case of",

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

"(b) FAILURE TO ATTACH STATEMENT TO A RETURN.—In the case of each failure to attach a statement to a return under section 6042(e), 6044(f), or 6049(c)(4), unless it is shown that such failure is due to reasonable cause and not to willful neglect, there shall be paid (upon notice and demand by the Secretary and in the same manner as tax) by the person failing to attach such statement $50 for each such failure, but the total amount imposed for all such failures during such calendar year with respect to any person shall not exceed $50,000.", and

(C) by inserting "or attach" after "furnish" in the heading thereof.

(2) CONFORMING AMENDMENT.—The table of sections for subchapter B of chapter 68 is amended by inserting "or attach" after "furnish" in the item relating to section 6678.

SEC. 207. PENALTY ON PAYEE FOR FAILURE TO REPORT.

(a) IN GENERAL.—Subchapter B of chapter 68 (relating to assessable penalties) is amended by adding at the end thereof the following new section:

"SEC. 6705. ADDITIONAL PENALTY ON TAXPAYERS WHO WILLFULLY ATTEMPT TO EVADE OR AVOID TAX ON INTEREST, DIVIDENDS, OR PATRONAGE DIVIDENDS.

"(a) CIVIL PENALTY.—If, for any taxable year—

"(1) any taxpayer fails to include on a return of tax the amount of any interest, dividends, or patronage dividends required to be included in such return, and

"(2) the Secretary establishes that the taxpayer willfully attempted to evade or avoid Federal tax on such interest, dividends, or patronage dividends,

then there is imposed on such taxpayer for such taxable year a penalty of $1,000.

"(b) PENALTY IN ADDITION TO OTHER PENALTIES.—The penalty imposed by subsection (a) shall be in addition to any other penalty imposed by law.".

(b) CONFORMING AMENDMENT.—The table of sections for subchapter B of chapter 68 is amended by adding at the end thereof the following new item:

"Sec. 6705. Additional penalty on taxpayers who willfully attempt to evade or avoid tax on interest, dividends, or patronage dividends.".

SEC. 208. MATCHING OF RETURNS BY THE SECRETARY OF THE TREASURY.

It is the sense of the Congress that—

(1) with respect to taxable years beginning after December 31, 1982, the Secretary of the Treasury or his delegate should implement a program which matches—

(A) information received by the Secretary under section 6042, 6044, or 6049 of the Internal Revenue Code of 1954 with respect to any person for any calendar year, with

(B) the return of the tax imposed by such Code on such person in which the information described in subparagraph (A) is required to be included, and

(2) except in the case of taxpayers whose taxable year is not a calendar year, the Secretary of the Treasury or his delegate should, under any program implemented under paragraph (1), complete the matching of any information described in paragraph (1)(A) which is received for any calendar year within 10 months of the close of such calendar year.

SEC. 209. REPORT; AUTHORIZATION OF APPROPRIATIONS.

(a) SENSE OF SENATE WITH RESPECT TO REPORTING ON AVAILABILITY OF RESOURCES.—It is the sense of the Senate that not later than June 15, 1983, the Secretary of the Treasury or his delegate shall report to the Congress on the availability of resources to carry out any program implementing the amendments made by, or the provisions of, title II of this Act.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out any program implementing the amendments made by, or the provisions of, title II of this Act and it is the sense of the Congress that such sums be appropriated.

SEC. 210. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in this section, the amendments made by this title shall apply to taxable years beginning after December 31, 1982, and before the termination date.

(b) SPECIAL RULE FOR REPORTING PROVISIONS.—

(1) The amendments made by section 203 shall apply to payments made after June 30, 1983, and before the termination date.

(2) The amendments made by section 204 shall apply to returns for calendar years beginning after December 31, 1982, and before the termination date, except that the Secretary of the Treasury or his delegate may provide that such amendments shall not apply to any person for calendar year 1983 in any case where application of such amendments would cause undue hardship to such person.

(3) The amendments made by sections 205 and 206 shall apply to returns or statements the due date for which (without regard to extensions) is after December 31, 1982, and before the termination date.

(c) TERMINATION DATE DEFINED.—For purposes of this section, the term "termination date" means the date (if any) on which the amendments made by subtitle A of title III of the Tax Equity and Fiscal Responsibility Act of 1982 apply to interest, dividends, and patronage dividends under section 308 of such Act.

Mr. STEVENS. I move to reconsider the vote by which the bill passed.

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

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, for the information of the Senate, there will be no further rollcall votes tonight.

Mr. BYRD. Mr. President, while we are waiting, I want to compliment Mr. BENTSEN and Mr. DANFORTH on their superb handling of the bill we just passed. They demonstrated great skill and I am sure that the Senate is in their debt. I personally want not only to commend them but also to thank them for their good work.

Mr. STEVENS. Mr. President, I join with the distinguished Democratic leader in that statement. I assure my friend from Texas and my friend from Missouri that all those who are now safely on their way home, I hope, appreciate the speed with which that bill was handled and the manner in which it was handled.

Mr. BENTSEN. Mr. President, I bask in the glory of those generous comments. They have helped make my day. I am most appreciative to both Senators.

ARMY RESERVE DAY

Mr. STEVENS. Mr. President, I send a resolution to the desk on behalf of Senators THURMOND, BIDEN, GOLDWATER, and others and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection? Without objection, the clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A Senate resolution (S. Res. 120) commending the U.S. Army Reserve on the occasion of its 75th anniversary.

The Senate proceeded to consider the resolution which was submitted by Mr. THURMOND for himself, Mr. BIDEN, Mr. GOLDWATER, Mr. NUNN, Mr. FORD, Mr. INOUYE, Mr. TOWER, Mr. BURDICK, Mr. SARBANES, Mr. JEPSEN, Mr. STEVENS, Mr. CHILES, Mr. BAUCUS, Mr. SYMMS, Mr. MELCHER, Mr. BUMPERS, Mr. LUGAR, Mr. RANDOLPH, Mr. EAST, Mr. HART, Mr. HATFIELD, Mr. BRADLEY, Mr. ARMSTRONG, Mr. NICKLES, Mr. ABDNOR, Mr. MATTINGLY, Mr. COHEN, Mr. HEFLIN, Mr. HOLLINGS, Mr. QUAYLE, Mr. CRANSTON, Mr. DOLE, Mr. PRYOR, Mr. WARNER, Mr. COCHRAN, Mr. DIXON, Mr. EAGLETON, Mr. HUMPHREY, and Mr. BYRD.

Mr. THURMOND. Mr. President, I have the distinct pleasure today to introduce a Senate resolution that would recognize April 23, 1983 as the 75th anniversary of the Army Reserve.

Officially established on April 23, 1908, 75 years ago, the U.S. Army Reserve traces its roots to the proud tradition of the citizen-soldier of the American Revolution.

Created as the Medical Reserve Corps, the Army Reserve has grown to become the largest Federal reserve component in the Armed Forces of the United States. Its 938,600 members belong to troop units, the Individual Ready Reserve, the Standby Reserve, and the Retired Reserve that still has a military obligation.

Since 1908, Army reservists have been called to active duty in national emergencies. Sixteen thousand reservists served in World War I. In World War II, 26 of the 82 Army divisions fighting in the European and Pacific theaters were mobilized from the Army Reserve.

Army reservists called to serve in the Korean war earned 6 of the 27 Medals of Honor and one-quarter of the other top combat decorations awarded. Reservists were also mobilized during the Berlin crisis in 1961 and again during the Vietnam war.

Furthermore, Mr. President, the Army Reserve is an integral element of the total Army, providing over 30 percent of the Army's tactical support unit requirements and over 25 percent of the general support units, as well as significant combat units. Army reservists, like the citizen-soldiers of earlier times, stand ready to respond to their country's call. Therefore, I feel that it is only fitting that we answer their sacrifices and their dedication with our support and our gratitude.

Mr. GOLDWATER. Mr. President, I rise to speak in support of the Senate resolution which my good friend, the distinguished senior Senator from South Carolina (Mr. THURMOND) has introduced here today. I am glad to see that Senator JOE BIDEN, who serves with me on the Senate Select Committee on Intelligence, is the principal cosponsor of this resolution.

Mr. President, April 23, 1983, will mark the 75th anniversary of the establishment of the U.S. Army Reserve. I think that it is entirely appropriate for the Senate to designate this day as "Army Reserve Day," and I think it is important that the people of the United States observe the day with appropriate programs, ceremonies, and activities.

As many of my colleagues know, the Senate passed a similar resolution on March 22 of this year. However, that resolution was a joint resolution authorizing and requesting the President to designate April 23 as "Army Reserve Day." Unfortunately, when the resolution went to the House it got bottled up in committee, and it does not look likely that the House will move on that resolution in time. Therefore, what we are doing here today is the best that can be done under the circumstances.

Mr. President, the U.S. Army Reserve is a vital element in our national defense. The Nation relies on the readiness of several hundred thousand reservists to defend the Nation should the need arise. Reservists are literally the citizen-soldiers of the United States. They keep the tradition of the Minuteman alive in the Nation today.

Many of my colleagues here in the Senate currently are or have been members of various military Reserve components over the years. Senator THURMOND, the sponsor of this resolution, had a distinguished Army Reserve career. He retired as a major general. The chairman of the Armed Services Committee, Senator JOHN TOWER, still serves in the Naval Reserve. I myself was in the Air Force Reserve for many years.

Mr. President, I believe it is very important to support the military Reserve in any way we can, and I hope that this resolution will play some role in emphasizing the contribution the Reserves make to our national defense. As Senators, it is important to pay tribute to the men and women who are members of the Reserves. I urge my colleagues to support this resolution.

I have two articles which commemorate the 75th anniversary of the U.S. Army Reserve. Both articles were prepared by Maj. Dick Crossland. One of them was published in VFW magazine, and the other in the Army Reserve magazine. I ask unanimous consent that both articles be printed in the RECORD.

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

THE USAR AT 75: THE NATION BUYS A BARGAIN

(By Maj. Dick Crossland)

The Army Reserve will be 75 years old on April 23. Founded as a 1908 auxiliary to the Medical Corps, the Army Reserve has come a long way in its three-quarters of a century.

This is the story of the Army Reserve's progress, but first here are some basic facts:

The Army Reserve is the largest component of the Army with nearly one million members in units, the Individual Ready Reserve and the Retired Reserve.

Army Reserve units are part of every major war plan of the United States to include rapid deployment scenarios.

The Army's ability to wage war without the Army Reserve is zero. This work comes form Lt. Gen. William R. Richardson, the Army's former Deputy Chief of Staff for Operations and Plans.

The Army's Reserve Components are a defense bargain. For a very small part of the Army budget, they provide two-thirds of the Army's logistical support and more.

The Army Reserve's growth from a few hundred physicians to that of a vital partner in defense did not occur overnight. Instead, the increased role of the Army Reserve is an expansion of the citizen-soldier concept and reflects how the United States has adapted its traditional military policy to the realities of today's world.

SMALL STANDING ARMIES

The historical attitude of Americans toward national defense is to want a relatively small standing army of Regulars backed by a large reserve force of citizen-soldiers. This approach is an inheritance of Anglo-Saxon military practice developed in medieval England.

When the English colonized North American they brought with them the tradition of the militia. This militia was formalized in law and called for every able-bodied man to provide his own weapon and to rally to the defense of the community in times of emergency. This was a particularly efficient means of defense when manpower was scarce and when the threat was unsophisticated.

At a time when the militia served well to protect against Indian attack, military philosophy was changing in Europe. The 1600s saw the end of feudal armies and the development of professional standing armies whose tactics were based upon highly disciplined maneuvers to take advantage of newer weapons.

Even though the Revolution was fought with volunteers and regulars raised from the general militia, it was not a militia war in the traditional sense. The American armies won by adapting the formalized warfare of Europe to the New World. The Revolution was a war of more or less standing armies, maneuver, fortification and siege with the war effectively coming to an end with the successful siege of Yorktown in 1781.

MILITIAS AS A COMPROMISE

The militia system was retained in the Constitution in what many historians have classified as a major compromise between the supporters of states' rights and those who sought a strong federal government. Military power was divided between the states and the federal government with the states retaining the right to raise militias and appoint officers. The Congress was given the power to raise armies, to regulate the training of militias and to call the state militias into federal service to "execute the laws of the union, suppress insurrections and repel invasions."

This was not a perfect arrangement, but it worked well enough as long as the United States remained isolated from European

wars. Despite a quasi-war with France in 1790-1800, the War of 1812 and a war with Mexico, the United States was never in enough danger to warrant the creation of a different military system.

The United States remained in strategic isolation until the end of the 1800s while the idea of massed armies, conscription and mobilized reserves took hold in Europe. There were efforts on the part of military leaders to introduce European systems of conscription and reserve forces into the American structure as early as the 1870s. But, it was not until victory over Spain and the acquisition of farflung overseas territories that it became necessary to modify American military policies.

The 1900s dawned on an America that had moved fully into the industrial age. The country had widespread economic ties throughout the world, and it was quite possible that America could be drawn into international disputes with the major European powers.

THE DICK ACT

Defense leaders such as Secretary of War Elihu Root realized that they needed a means of expanding the small Regular Army in case of war. Although Root preferred a federal reserve under the control of the Regular Army, he was a realistic leader who recognized that he had a reserve force already in being in the state militias, more commonly called the National Guard.

Working with National Guard leaders, Root helped design the Militia Act of 1903, which is known as the Dick Act. This act was a clear break from the tradition of a universal militia and established the principles of federal funding, federal inspections and federal training for Reserves.

One of the lessons learned from the Spanish American War was the need for a rapid expansion of the Medical Corps. The Medical Corps is doubly stressed in the opening stages of a war because doctors are needed to screen potential soldiers and to provide health care in training camps in addition to performing services on the battlefield.

Therefore, the War Department asked Congress to authorize a Medical Reserve Corps; and such an authority was contained in the provisions of the 1908 Act to Increase the Efficiency of the Medical Department of the United States Army.

THE BIRTH OF THE USAR

The Act permitted the Army to federally appoint reserve doctors in the grade of first lieutenant, and the Army Reserve's official history dates from the April 23 passage of that act. By June 30, 1909, 364 men had been commissioned in the Medical Reserve Corps; and the corps grew to more than 1,700 doctors in 1916.

Meanwhile, the Army leadership was pressing for a federal reserve with Maj. Gen. Leonard Wood being the principal advocate of a large, federal reserve. Wood's efforts were rewarded in 1912 when Congress established an enlisted Army Reserve under provisions of the Army Appropriation Act.

In 1916, with war raging in Europe, Congress passed the massive National Defense Act which completely reorganized the War Department. It revitalized the National Guard and established the Officers' Reserve Corps, the Enlisted Reserve Corps and the modern Reserve Officers Training Corps.

By Oct. 1, 1917, the Enlisted Reserve Corps had reached 55,000 men and provided the soldiers for hundreds of railway, signal, telegraph and wagon companies as well as thousands of specialists for the Medical Department. Reserve officers served in every World War I division, and the strength of the Officers' Reserve Corps was 89,476 on Aug. 7, 1918, when the Army dropped the distinction between Regular, National Guard and Army Reserve officers. In all, more than 169,000 Army Reservists served in World War I.

The United States ended World War I as a major power. In building upon the lessons learned from that war, Congress amended the 1916 National Defense Act in 1920 and established the guidance for a large wartime army of Regular, National Guard, and Organized Reserve Corps (ORC) divisions. The Army was to be divided into nine corps of six divisions each with 27 infantry divisions coming from the Organized Reserve Corps.

However, pacifism, federal parsimony and ultimately the Great Depression combined to prevent this 54-division force from existing. The Regular Army was cut to 132,000 men from the 280,000 man force envisioned in the 1920 Act, and the Reserve divisions were never provisioned. There was no funding for an enlisted Reserve, and officers were lucky to receive two weeks of Annual Training every third year.

Commissions were granted to ROTC and Citizen's Training Camp graduates, and officer cadres were formed for some Reserve divisions. Some units did participate in a summer encampment where friendly Regular Army outfits provided the weapons and enlisted manpower for realistic training.

With the exception of the use of up to 30,000 Reserve officers to manage Civilian Conservation Corps (CCC) camps in the 1930s, this was the extent of Army Reserve readiness as World War II broke out in Europe.

WORLD WAR II

When Germany blitzed Poland, the United States was planning a million-man Army heavily dependent upon the National Guard and Reserve divisions. After France fell, the National Guard was mobilized; and Reserve officers were called to the colors to expand the Army. By June 1941, more than 55,000 Reserve officers had been ordered to active duty; and the Officers' Reserve Corps eventually provided one-fourth of the Army's World War II officers. Thirty-one thousand enlisted Reservists also served.

Once it was obvious that the United States would win the war, military leaders began their post-war planning. War Department Circular 347, issued Aug. 25, 1944, reaffirmed a major Defense role for Reserve Components and was based upon the assumption that Congress would enact Universal Military Training after the war.

Following victory, the United States hastily demobilized as the War Department was placed under tremendous political pressure to "bring the boys home." The massive military machine was dismantled while the planning and organizing of the Army Reserve became entangled in the issue of Universal Military Training.

The passage of the June 24, 1948 Selective Service Act temporarily resolved the issue of Universal Military Training and provided an enlisted manpower boost for the Reserves by requiring Reserve unit service following a 21-month period of conscripted active duty. In short order, Reservists were granted drill pay and a retirement program; and President Truman galvanized the Defense Department on Oct. 15, 1948, when he ordered the Secretary of Defense to proceed without delay in organizing Reserve Component units.

Defense planners started building a force that was to include 50 Reserve divisions and one million men. The number of organized Reserve units increased dramatically until the assigned strength of the Army Reserve stood at 600,000 in June 1950.

KOREA

The mobilization planning was based upon the assumption that the next war would be a total war in the mold of World War II. There was no provision for partial mobilization, which led to a disorganized and inefficient mobilization for the Korean War. More than 165,000 individual Reservists were ordered to duty in five officer and three enlisted recalls, and 971 Army Reserve units were mobilized, bringing the total Army Reserve commitment to more than 200,000 men and women.

Lessons learned from the confused Korean mobilization led to the Armed Forces Reserve Act of 1952 and the Reserve Forces Act of 1955. This legislation created clearly defined categories of Reserves. These are in effect today as the Ready Reserve of men and women who may be involuntarily ordered to active duty, the Standby Reserve of those who may be called to duty only with Congressional approval and the Retired Reserve who may be called to duty during war or national emergency. The acts also provided Reserve enlistment options for draft-age men and relieved the Reserve units from conducting basic training for new recruits.

The Army Reserve was just beginning to feel the beneficial effects of the 1952 and 1955 acts when more than 400 Army Reserve units and 68,000 individual Reservists were mobilized for the 1961 Berlin Crisis. President Kennedy ordered the Reservists to active duty to demonstrate America's national resolve while reinforcing the country's non-nuclear capability.

REORGANIZATION

After the crisis, Secretary of Defense Robert S. McNamara directed a reorganization of the Army's Reserve Components. The Army Reserve was stripped of most of its line combat units and given an increased combat support and combat service support mission. More importantly, for the first time, Reserve forces were structured to meet specific contingency plans rather than being dedicated to a general expansion of the Army.

The reorganization also eliminated duplication among the components. The Army National Guard, the Army Reserve and the Regular Army were no longer mirror images of each other and took on today's form as mutually supporting and mutually dependent components.

When the United States decided to send ground combat forces to Vietnam, the decision was made to expand the draft calls rather than mobilize the Reserves. The rationale advanced for not calling the Reserves is that the deployment of substantial numbers of Reserve units to Vietnam would have strategically committed the United States.

Such a situation would have left the United States without an immediate capacity to react to a crisis outside of Southeast Asia. The nuclear deterrent would have been the last strategic trump card in the high-stakes poker game of conflicting American-Soviet international interests.

Even so, following the increase in international tensions after the seizing of the U.S.S. Pueblo, 42 Army Reserve units were mobilized in April 1968. Thirty-five of these

saw combat in Vietnam where their members earned 131 Bronze Star Medals, 454 Army Commendation Medals and 24 Purple Hearts.

Meanwhile, the Army continued to reorganize its Reserve Components. Plans were made to eliminate nearly 1,000 units from the force structure, mostly from the National Guard. The Army wanted to reduce Army Reserve strength by 20,000, but the Congress objected. The Army then announced plans to leave Army Reserve drill strength at 260,000 while eliminating the 14 active Army Corps that commanded Army Reserve units.

In place of the corps, Army Reserve Commands (ARCOMS) commanded by Army Reserve two-star generals were created. These have been responsible for administering and overseeing the training of Army Reserve units since the reorganization was completed in May 1968. The effect was to strengthen the control of Army Reservists over the Army Reserve.

At the time, the United States had had "peacetime" conscription in effect for over 20 years; and popular support for the draft remained at more than 60 percent in 1969 opinion polls. But this support, eroded by our failure to "win" in Vietnam, quickly fell, dropping to as low as 13 percent in one 1972 poll.

The decline in support for a continued draft coincided with a Presidential campaign promise to create an all volunteer military. The President stuck to his promise, and this decision in turn forced military planners to find another manpower option to inevitably reduce active duty manpower levels in an All-Volunteer era.

The solution hit upon by Defense officials was the Total Force concept. This planned increased reliance upon the Reserve Components and returned the United States to its pre-World War II tradition of the citizen-soldier as a key element in Defense planning.

A ten-point program to improve Reserve Components was started, and the active duty force structure was reduced by about 200,000 positions. These were primarily combat support and combat service support positions whose role would have to be filled by Reserve units.

ROUNDOUT

Under the new Total Force policy, the first months of intensive combat in Europe would have to be fought by the active and Reserve forces which existed before the start of hostilities. Three partially structured divisions were added to the active Army to boost the "tooth to tail" ratio; and starting in 1973, it was announced that National Guard and Army Reserve units would round out active Army divisions. The roundout concept began with the 25th Infantry Division after it was withdrawn from Vietnam, and by Sept. 30, 1978, every regular Army division in the continental United States had Reserve Component roundout and augmentation units.

The Army was reorganized in 1973 with the responsibilities of the Continental Army Command (CONARC) divided between two new commands—the U.S. Army Forces Command (FORSCOM) and the U.S. Army Training and Doctrine Command (TRADOC). Army Reserve units were commanded by FORSCOM through its subordinate armies (CONUSAs) and ARCOMS with TRADOC picking up the mission of training new Reservists, operating the Army schools program and establishing doctrine.

Army Readiness Regions became operational on Oct. 1, 1973, and were charged with assisting Reserve Component units in overcoming readiness shortcomings. Readiness was further enhanced in 1974 with the beginning of an affiliation program between active duty and Reserve Component units. Reserve units trained with their active duty counterparts, and the Army Reserve gained increased participation in major exercises.

In 1974, the Defense Department requested authority from Congress to order up to 50,000 members of the Selected Reserve to active duty for not more than 90 days. In the words of the 1974 DoD Reserve Forces annual report, "this authority for limited mobilization under conditions short of war or national emergency would demonstrate the resolve of the nation to maintain, and rely on, a Reserve Force capable of swift response."

After considerable debate, the 50,000-man Presidential call-up authority was granted under Public Law 94-286 and became effective May 14, 1976.

ACCELERATION

In his June 8, 1976, memorandum to the President, Secretary of Defense Donald H. Rumsfeld further defined the Total Force policy of accelerating the role of the Reserves. He set four objectives which have guided the relationship between the components:

Modernization of Reserve forces by providing mission capable equipment.

More support for Reserve programs to include increased active duty personnel involvement, more training and better management of Reserve assets.

Increased recognition that Reserves are essential.

Increased integration of the Active and Reverve forces to improve the capability for rapid deployment.

The Carter administration seconded the Total Force policy when Secretary of Defense Harold Brown reported that the Reserve forces offer the only reasonable and economical means of providing the additional force needed to meet national security needs. Brown concluded that the Total Force policy had resulted in more capable Reserve units and increased Reserve and Active force integration. He continued the four Rumsfeld objectives.

MANPOWER CRUNCH

Meanwhile, the Army's Reserve Components were suffering severe manpower problems. Army Reserve drill strength stood at 189,420 on Sept. 30, 1977, a drop of 46,000 since the beginning of the All-Volunteer Army. Even worse, the strength of the Individual Ready Reserve (IRR) was less than 150,000, down from a million men and women in 1972.

The trend had been obvious for several years as draft-induced Reservists by the thousands abandoned the Army Reserve when their six-year military obligation expired. The Army attempted to counter this trend by more than tripling the Army Reserve recruiting force from 638 in 1976 to 2,022 in 1977. Congress granted the Army Reserve educational assistance bonuses and reenlistment bonuses in July 1977, and DOD went a step further and asked Congress to grant enlistment bonuses to the Reserves.

In September 1978, Congress liberalized the survivor benefit program for Reservists, and in October Public Law 95-485 granted enlistment bonuses for soldiers who enlist in high-priority units or shortage career fields. Army Reserve unit strength bottomed out in September at 185,753 and begain a steady climb which had brought Army Reserve unit strength to 243,329 by Dec. 30, 1982. The Army is projecting a 1983 end-strength in the neighborhood of 252,000 and has set a wartime Army Reserve unit strength of 299,500 under Total Army Analysis 1988.

In 1979, the Army took several administrative steps to strengthen the IRR. These coupled with increased recruiting and retention efforts increased the IRR to more than 200,000 by September that year, and the IRR stands at approximately 245,000 today. The Retired Reserve is approaching 500,000.

In the late 1970s, the Army continued its increased emphasis upon Army Reserve readiness. Nifty Nugget (MOBEX 78) in October 1978 was the largest mobilization and deployment exercise in the United States since World War II. It uncovered a number of serious deficiencies and led to a full-time manning program for early-deploying Army Reserve units. By early 1980, the full-time manning program had 1,060 Reservists on active duty performing readiness-related tasks. The full-time manning program was increased over the next several years until it and other Active Guard/Reserve (AGR) programs in the Army Reserve had 5,847 Reservists on active duty in September 1982. Congress funded a one-third increase in these programs for 1983 bringing the AGR authorization to 8,251.

Even with the Total Force policy and the increased emphasis upon Reserve Components, it took two major events to hammer home the vital importance of the Army Reserve.

POWER PROJECTION

The Soviet invasion of Afghanistan in December 1979 raised the issue of American capability to counter Russian threats in the Persian Gulf region, and the seizure of the American embassy in Iran underscored this country's inability to rapidly project conventional forces into that area. President Carter committed the United States to defense of the Persian Gulf in his Jan. 23, 1980, State of the Union Address, and the Rapid Deployment Joint Task Force (RDJTF) was officially established on March 1, 1981, with a mission to execute that commitment.

As soon as planners began to draw up contingency plans, it became obvious that Reserve units were going to be key elements of the Rapid Deployment Force—Army (RDF-A) troop list. A decision to employ the task force would require a call-up of Reserve units to such an extent that the old 50,000-man call-up authority was no longer sufficient.

Defense officials immediately sought an increase in the 90-day call-up authority. Congress responded quickly; and in December 1980 the President was able to sign Public Law 96-584, which gave him the power to summon up to 100,000 Selected Reservists to active duty without a declaration of war or national emergency.

Concurrently, the Army revised its former Mobilization Designee (MOBDES) program and instituted the Individual Mobilization Augmentee (IMA) program. These individuals were included in the Selected Reserve thus making them eligible for the 100,000 call-up.

As planners went through their force structure drill, the critical relationship of the Army Reserve became more apparent. By March 1981, Maj. Gen. William R. Berkman, Chief, Army Reserve, was able to testify to Congress that "the importance of the

Army Reserve continues to grow. An increasing number of Reserve units have been assigned high priority because of the essential combat service and logistical support needed early upon mobilization and deployment, and for support of the Rapid Deployment Force. Recently, 130 Army Reserve units have been identified for inclusion in the Army's portion of the Rapid Deployment Force because of the essential combat support and combat service support they represent."

The Army Reserve units identified for the RDJTF came under intensified management. Their force activity designators (FAD) were increased. Their equipment was cross-leveled and they were moved to the top of the resource list. Even so, there does remain a hard-core of shortage items for these high-priority units; and get-well dates are projected to 1985 and beyond.

Defense guidance and projections do not speak of a substantial reduction in Army dependence upon the Army Reserve for years to come.

Unclassified portions of the 83-87 POM (Program Objective Memorandum) state that a significant portion of the RDJTF combat support will remain in the Reserve Components. The Army leadership has consistently testified that the Reserve Components will remain a vital part of the Army for the foreseeable future, and the Reserve Forces Policy Board has concluded that the relationship between the Active and Reserve forces will remain unchanged into the 1990s.

BUDGET BOOST

Additionally, Congress has exhibited a strong interest in enhancing the readiness of the Army Reserve. At a time when the Defense budget was coming under closer scrutiny and the overall Army budget was reduced from the amount requested, Congress added $55 million to the Army Reserve's 1983 budget request.

The likelihood of increased reliance upon the Army Reserve and the Reserve Components in general is reinforced by two sets of circumstances.

First, the Army has a limited number of options in changing the present force structure mix between its components. The Army can add units to the active force only by increasing the size of the Regular Army with concurrent increases in personnel and procurement costs. Or, the sustainment forces now in Reserve could be added to the active force by reducing the combat forces on active duty. This reduction in immediately available combat units would force the Defense Department to accept a higher degree of risk in being able to support vital U.S. interests.

THE FUTURE

Given the economy, the present attitude of many special interest groups and the erosion of the pro-Defense consensus in Congress, it is unlikely that major increases in Army spending can be sustained—beyond those already programmed and projected. It is unlikely that the national leadership will accept an increase in the military risk factors given the present international situation.

Second, there is a general unwillingness of nations to drastically change their military policies. This is particularly true in a democracy where a wide range of divergent interests compete for the attention of the electorate and changes in political coalitions tend to be evoluntionary rather than revoluntionary.

Despite some admitted failings and shortcomings, a citizen-soldier dependent military policy has served the United States well. There has not been an international war fought on U.S. soil since 1814, and the United States has been exceedingly successful in protecting its vital interests abroad for more than 150 years.

The United States has been able to build upon its militia heritage and modify its civilian military components as the need arises. The compromise of military authority in the Constitution between the states and the federal government has been retained even to the extent of a state oriented role for the National Guard and a federal-only oriented role for the Army Reserve.

The blending of the two components for national defense purposes and their continued separation for domestic purposes represents an evolution of the citizen-soldier concept and a triumph for American democracy.

IT ALL BEGAN WITH ARMY RESERVE DOCS

(By Dan Johnson)

The Army Reserve, as we know it, dates from April 23, 1908, when President Theodore Roosevelt signed an Act of Congress establishing the Medical Reserve Corps. The act, in part, "was for the purpose of securing a reserve corps of medical officers available for military service." The U.S. Army was 120 years old that year, and the Medical Reserve Corps was its first reserve, recommended by two medical Corps majors (Jefferson R. Kean and Louis L. Seaman).

THE REASON

The need for a Medical Reserve Corps was evident in 1898 when the Medical Department of the Army was totally unprepared for the Spanish-American War. The Department learned from numerous mistakes in 1898 (often due to ignorance and deficient equipment and personnel) and it vowed that they would never be repeated.

Surgeon General Robert M. O'Reilly also saw the need for the Medical Reserve Corps and pushed for legislation to have it established. This was a new concept, as it was the first volunteer reserve organized in the American Army. The composition of the Medical Reserve Corps was expanded to include Dental and Veterinary Corps officers as well as Medical Corps officers.

Graduates of medical schools in the United States could be appointed first lieutenants in the Corps and could be called to active duty by order of the President. The Secretary of War was authorized, during crises, to call to active duty as many Medical Reserve Corps officers as necessary.

The Corps had 364 officers assigned in its first year. A strong recruiting effort resulted in the procurement of prominent physicians, surgeons, hygienists and laboratory workers from every part of the country.

TRAINING

In 1915, a four-year correspondence course for Medical Reserve Corps officers was established under the direction of the Surgeon General, by the Department of Care of Troops and Medical Reserve Corps, Correspondence School of the Army, Fort Leavenworth, Kansas.

Upon completion of two years of work, students were invited to take an examination which qualified them for promotion to the rank of captain in the Medical Reserve Corps. At the completion of the four-year program, candidates were qualified for promotion to major.

CHANGE

On June 3, 1916, Congress passed the National Defense Act. This legislation created the Officers Reserve Corps, composed of sections corresponding to the various arms, Staff Corps and the Departments of the Regular Army. A year later the Medical Reserve Corps ceased to exist.

The Medical Section of the Officers Reserve Corps took the place of the Medical Reserve Corps. Medical Reserve Corps officers held an indefinite commission while the Medical Section officers were commissioned for five years. Members of the Officers Reserve Corps could be ordered into active service without their consent. Correspondence courses were mandatory. In the Medical Reserve Corps, correspondence courses were optional.

In the Officers Reserve Corps, officers in the grade of first lieutenant were subject to fifteen days of instruction each year and were compensated for transportation and subsistence by the government. Those assigned to the Medical Reserve Corps had the option to transfer to the Officers Reserve Corps or be discharged from the service.

The National Defense Act also provided for the Regular Army Reserve which was made up of enlisted soldiers.

The Medical Reserve Corps made it possible for the Medical Department to enter World War I before any other branch of the Army. Because the Medical Reserve Corps was prepared for active service, its officers arrived quickly in combat without delays in receiving equipment or funds.

Yesterday's Medical Reserve Corps is reflected by today's USAR medical professionals and units, people and organizations with proven combat records and service to the nation.

75TH ANNIVERSARY: ARMY RESERVE, 1908-83

(By Maj. Dick Crossland)

Marking its 75th anniversary this month, the Army Reserve traces its lineage back to April 23, 1908. In these 75 years, it has grown from a few hundred physicians in the Medical Reserve Corps to nearly one million men and women.

A vital, yet cost-effective, partner in today's national defense, the Army Reserve has a key role in virtually every Pentagon war plan. From the defense of Korea through the reinforcement of NATO, Army Reserve units share early deployment dates with stateside Regular Army outfits. In addition, when the Rapid Deployment Joint Task Force (RDJTF) was organized following the Iranian revolution, scores of Army Reserve units were given an RDJTF mission.

For a 1983 cost of $2.1 billion, less than 1 percent of the defense budget, the Army has in the Army Reserve all its training divisions, railway units and judge advocate general units. The Army Reserve also provides nearly all the Army's civil affairs and psychological operations units plus the majority of the Army's petroleum supply, medical assets and conventional ammunition companies.

Individual Ready Reservists, who number 244,000, are important augmentation and replacement personnel who will expand Regular Army units upon mobilization. Many members of the Retired Reserve, a manpower pool of more than 450,000, have received premobilization orders and will serve in training bases, depots and headquarters in times of emergency.

In short, the Army Reserve provides a substantial part of the Army's combat support and combat service support and nearly all its individual replacements. The importance of this support can be summed up in the words of the Army's deputy chief of staff for operations and plans, Lt. Gen. William R. Richardson, who said last October that "the Army's ability to fight a war without Reserve Component participation is zero."

Despite its importance today, the Army Reserve started as a modest proposal and grew vigorously as the Army's concept for civilian components evolved.

The 1908 Medical Reserve Corps was established to overcome serious wartime shortages of physicians, which had become apparent during the Spanish-American War. But within four years, the Army staff had been convinced of the need for a federal reserve for the entire Army. Chief of Staff Leonard Wood argued that "a reserve system is in effect in the armies of practically all nations of the civilized world except our own."

As an evangelist for a Federally controlled reserve, Wood lobbied both within and outside the Army and was rewarded when Congress established an enlisted Army Reserve as part of the 1912 Army Appropriation Act. The General Staff had also asked for authority to commission company-grade officers of reserves or volunteers, but this authority was not granted until the National Defense Act of 1916.

The 1916 act, a massive document with more than 100 sections, reorganized the Army while establishing the Officers' Reserve Corps, the Enlisted Reserve Corps and the modern Reserve Officers Training Corps. Thanks to this farsighted legislation, the Army was able to commission nearly 90,000 Reserve officers for World War I while creating an Enlisted Reserve Corps of 55,000 men to fill hundreds of transportation, signal and medical companies.

Following the Armistice that ended WWI, the Army resumed appointments in the Officers' Reserve Corps. More than 45,000 officers were signed up the first year. In 1920, amendments to the National Defense Act of 1916 envisioned a large citizen-soldier Army of Guardsmen and Reservists. But the forces of pacifism and frugality reigned in Congress and the 27 intended organized Reserve Corps divisions were never provisioned.

Chief of Staff Douglas A. MacArthur pleaded for the Enlisted Reserve in 1935, he reported that the Army was unprepared for effective action and that a lack of pay for enlisted Reservists prevented formation of an organized Reserve. Officers were receiving occasional training during two-week tours of duty with Regular Army units. Up to 9,300 Reserve officers had been detailed to operate the Civilian Conservation Corps (CCC) camps.

The CCC camps proved to be valuable training for Reserve officers as upwards of 55,000 Reservists were called to duty in 1941 to officer the Army's pre-World War II expansion. In all, the Army reserve provided one fourth of the officers for World War II. Chief of Staff George C. Marshall praised them by saying the mobilization could not have been carried out without the Officers' Reserve Corps.

Following World War II, policy over the role of the Army Reserve bogged down in the debate over Universal Military Training. Nevertheless, with the support of the Veterans of Foreign Wars and other interested parties, the Army Reserve was reconstituted. Benefits such as drill pay and Reserve Component retirement pay were granted by a grateful Congress.

The planned Army Reserve divisions had not been fully formed and equipped when the United States was drawn into war in Korea. Still, 971 Reserve units and 168,470 individual Reservists were called to active duty.

Lessons learned from the confused Korean mobilization led to the Armed Forces Reserve Act of 1952 and the Reserve Forces Act of 1955. As a result of this legislation, the Army Reserve was freed from having to conduct basic training for new members and liabilities for active duty service were clearly defined. The nation realized that an adequately funded Reserve was no longer a luxury but a necessity.

Equipment levels in Reserve units increased and units were rapidly improving their readiness when more than 400 Army Reserve units and 40,000 individual Reservists were mobilized for the Berlin Crisis of 1961. After that crisis, Secretary of Defense Robert S. McNamara set about to reorganize the Reserve. For the first time Reserve forces were structured to meet specific contingency plans instead of being dedicated to a general expansion of the Army.

The Army Reserve lost the bulk of its combat forces in the reorganization. Emphasis was placed on combat support elements and units needed for special missions. The Army National Guard, Army Reserve and Regular Army were no longer mirror images of each other. They took on today's form as mutually supporting and mutually dependent components. This defines what Secretary of the Army John O. Marsh, Jr., calls the "Total Army."

When the United States sent ground combat forces to Vietnam, draft calls were expanded rather than mobilizing the Reserves. If the Reserves had been called up, the United States would have committed its last strategic trump card and would have been left with little but a nuclear option in the event of trouble outside Southeast Asia.

Even so, 42 Army Reserve units were mobilized in April, 1968, with 35 of these seeing action in Vietnam. Their members earned 131 Bronze Star Medals, 454 Army Commendation Medals and 24 Purple Hearts.

Meanwhile, the Army was refining its ability to call on Reservists in an emergency. In June, 1968, Army Reserve units were placed under a two-star major Army Reserve Commands (ARCOMs). The cumbersome Army corps system of command was dropped

The 1970s and the early years of this decade were fruitful ones as the Army Reserve moved toward today's fuller partnership with the Regular Army. In 1972, women were incorporated into the ROTC and Reservists were granted a survivor's benefit plan whereby a major portion of a Reservist's retired pay could be granted to a beneficiary.

As the Army entered the all-volunteer era, the Reserve components gained a larger stake in national defense. In 1973, an Army Reserve battalion and a National Guard brigade were designated to round out the 25th Infantry Division in the event of war. The roundout idea expanded until by Sept. 30, 1978, every stateside Regular Army division had Reserve component roundout and augmentation units.

Army Reservists were permitted to enroll in the Servicemen's Group Life Insurance program with full coverage. The Vietnam Era Veterans Readjustment Act of that year guaranteed Reservists' reemployment rights following active duty service.

On July 30, 1977, Congress authorized the Selected Reserve Incentive Program that granted enlistment, educational and reenlistment bonuses for men and women joining selected units or enlisting in understrength career fields. This program has progressed and combined with a simultaneous membership program for joint Reserve and ROTC membership. It allows a young person to earn up to $16,000 for college.

Mobilization exercises in 1976 and 1978 showed that Reserve readiness was directly related to the amount of fulltime support provided to units. The Army began placing at the company and battalion level several thousand Regular Army and fulltime Reserve soldiers to perform training plans, administration, personnel management and maintenance. The Reservists in this buildup were given a formal career program in February, 1979, and a highly selective, centralized personnel procurement began.

The U.S. Army Recruiting Command took over Army Reserve recruiting in 1979. This freed Reserve commanders from the time-consuming task of unit recruiting. In 1980, the Army started an affiliation bonus to encourage soldiers leaving active duty to join a Reserve unit.

As a result of these moves and earlier incentives, Army Reserve unit strength rose dramatically. From a low point of 185,753 in 1978, it hit 243,329 on Dec. 31, 1982. The number of Individual Ready Reservists also increased substantially. The Army estimates a combination of unit and IRR strength of 520,000 will be reached by 1984.

Two final events provided the impetus for the enhanced stature of the Army Reserve. The Soviet invasion of Afghanistan created fears that Russia was about to fulfill her historic ambitions toward the Persian Gulf. The inability of the United States to intervene quickly following the seizure of its embassy in Iran spoke for the need to establish a rapidly deployable force.

These events led to the Rapid Deployment Joint Task Force (RDJTF). But when operations experts began to make contingency plans for the RDJTF, they found their alternatives limited unless they included Reserve units in that force. It was essential to include the Reserves to give the RDJTF its flexibility and sustainability.

Numerous Army Reserve units were identified for the RDJTF and received some additional resources. The Army recognized the need to procure and distribute equipment on a "first to fight first to equip" basis in order to bring the units to mission-ready status. Additional fulltime soldiers were assigned. These units have been moving forward to the top of the resource list, leapfrogging over some in the Regular Army. At the same time, deployment timetables have been revised and subsequent exercises have tested the Army Reserve's capability to respond quickly. Readiness reporting also has been intensified.

The Army will be depending on the Army Reserve for the foreseeable future and is programming increased funds in support of its Reserve Components. Instances of neglect are being remedied, and the Total Army partnership has become a reality.

Mr. MATTINGLY. Mr. President, I would like to take a moment to pay tribute to our Army Reserve. On March 23, 1983, the Senate passed Senate Joint Resolution 31 designating Saturday, April 23, 1983, the 75th

anniversary of the establishment of the U.S. Army Reserve, as "Army Reserve Day." Because the House of Representatives did not act on that resolution the Senate has passed S. Res. 120. I am pleased to have cosponsored the original resolution because it is fitting that Congress recognize this group of over 938,000 men and women who serve our country so well. I commend the distinguished senior Senator from South Carolina, Senator THURMOND, for his sponsorship of the resolution.

Since the institution of the All Volunteer Force, our country has increasingly depended upon the Reserve Forces to meet our defense needs. In the last 5 years, the Army Reserve has greatly increased its numbers. The Selected Reserve is at its highest strength level since December 31, 1967. The two Army Reserve components have experienced a 12-month growth of approximately 50,000 individuals. In terms of quality, the Army Reserve improved significantly over fiscal year 1981 by recruiting almost 7,000 new members who were high school graduates and who scored in the highest categories on the entrance examinations.

These figures are especially important because of the vital role these forces play in defending our freedom. The Army Reserve of the 1980's is a growing dynamic element that is truly an integral part of the Army total force. Fourteen of the 16 Active Army divisions will be rounded out by Reserve component units. A ninth National Guard division is being planned. Reserve component forces comprise 40 percent of the Army's divisional forces; 69 percent of the nondivisional combat forces; 68 percent of the tactical support forces; 51 percent of the special theater forces; and 33 percent of the general support forces. By continuing the current incentive programs, the Army Reserve will substantially reduce our mobilization shortfall. Army reservists have played and will continue to play an important role in the defense of the United States. These men and women can be called upon to fill the ranks of the Active Army if the Nation calls.

For now, many of the reservists do their jobs on weekends and during several weeks each year. However, they are constantly ready for mobilization into the Active Army if necessary. There are 938,000 Army reservists aware of that fact, and I am proud to pay tribute to the personal sacrifices rendered by these courageous men and women.

Mr. BYRD. Mr. President, I ask unanimous consent that my name be added to the resolution as a cosponsor.

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

The question is on agreeing to the resolution.

The resolution (S. Res. 120) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. Res. 120

Whereas April 23, 1983, will mark the seventy-fifth anniversary of the establishment of the United States Army Reserve;

Whereas the United states Army Reserve has made many valuable contributions to the defense of the United States during the seventy-five years since it was established;

Whereas the members and former members of the United States Army Reserve have displayed courage and personal sacrifice in serving in the United States Army Reserve during those seventy-five years; and

Whereas the Nation relies on the readiness of the United States Army Reserve to defend the United States if the need arises: Now, therefore be it:

Resolved, That is the sense of the Senate that the United States Army Reserve is deserving of public recognition and commendation upon the occasion of the 75th anniversary of its founding on the 23d day of April, 1983, and that the people of the United States should observe this date with appropriate programs, ceremonies, and activities which pay tribute to the men and women who are members of this organization and to the principles of a strong national security policy to which this organization is dedicated.

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

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

The motion to lay on the table was agreed to.

NATIONAL ORGAN DONATION AWARENESS WEEK

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Order No. 93, Senate Joint Resolution 78.

The PRESIDING OFFICER. Without objection, the joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 78) to authorize and request the President to issue a proclamation designating April 24 through April 30, 1983, as "National Organ Donation Awareness Week."

The Senate proceeded to consider the resolution.

Mr. GORTON. Mr. President, I am pleased that Senate Joint Resolution 78 has been reported by the Judiciary Committee. I wish to thank my cosponsors for their support for this joint resolution to authorize and request the President to issue a proclamation designating April 24 through April 30, 1983, as "National Organ Donation Awareness Week."

Mr. President, many people whose kidneys, eyes, skin, livers, or human growth are unable to sustain them can be helped or cured through organ transplants. For example, there are presently 4,800 kidney transplants performed each year but approximately 10,000 medically eligible patients do not receive one because of a lack of suitable donors.

Through organ donation, those who care and have foresight may, when they die, give the gift of life and living to those in need. Every State of the Union supports the organ donation programs, in hopes that its citizens will make an anatomical gift upon death, as Mrs. Gorton and I have pledged to do. A donor may pledge any needed organs or parts; only specified organs or parts, or may donate his or her body for anatomical study.

I hope that my fellow Senators will support this resolution for "National Organ Donation Awareness Week," and that my colleagues in the House of Representatives will approve it as well, in order to create for the people of our Nation an awareness of the need and opportunity for organ donation; and I invite all citizens to consider giving this great gift themselves to those who are less fortunate.

AMENDMENT NO. 1198

Mr. STEVENS. I send to the desk an amendment in behalf of Senator HELMS and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) for the Senator from North Carolina (Mr. HELMS) proposes an amendment numbered 1198.

Mr. STEVENS. I ask unanimous consent that further reading be dispensed with.

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

The amendment is as follows:

At the end of the resolution add the following:

Upon request of the North Carolina School of the Arts, Winston-Salem, North Carolina, the Secretary of the Commerce shall authorize such school to lease to any person the Stevens Center for the Performing Arts building, without affecting the Federal assistance provided by a grant under the Public Works and Economic Development Act of 1965, if such transfer documents provide for the operation of such facility as a performing arts center.

Mr. STEVENS. I note with pleasure, Mr. President, that this amendment pertains to the Stevens Center in the distinguished Senator's State.

A HELPING HAND FOR NORTH CAROLINA SCHOOL OF THE ARTS

Mr. HELMS. Mr. President, in 1979, the North Carolina School of the Arts was given a historical building in downtown Winston-Salem, N.C., to use as the Stevens Center of the Performing Arts. The school, through the use of an EDA grant and private contributions refurbished the building and created the magnificent Stevens Center

for the Performing Arts. The theater is scheduled to open on April 22, 1983. However because it will incur significant operating losses, the theater may be forced to close the same week it opens.

The North Carolina School for the Performing Arts has discovered that those losses can be cut significantly by a lease back arrangement with private parties. Under such an arrangement all the conditions of the EDA grant would be met. However, this arrangement is technically illegal, and a full return of the EDA grant would be required under the present circumstances. The amendment I offer today would eliminate the necessity of immediate repayment, while protecting the nature of the theater through its entire useful life.

The Stevens theater is a historically significant building located in the heart of downtown Winston-Salem, N.C. The building had previously fallen to disuse and disrepair and was scheduled for demolition until the school rescued it in 1979. When the school took over the building and expended moneys and time for renovation, the previous owners of the building further committed their company to expenditures for renovation in the downtown Winston-Salem area. Therefore this project has had a major benefit not only to the arts but to the employment and economic situation in one of the largest cities in North Carolina.

The North Carolina School of the Arts did not depend only on the Government's help to renovate this important theater, they launched a major fundraising campaign to restore the Stevens Center. Such an effort raised over $6.5 million. This along with the EDA grant has provided for complete renovation of the theater.

Central to EDA's decision to award the grant was the theater's importance to the North Carolina School of the Arts as a central focal point in the community and as a project essential to maintaining the city's current redevelopment momentum.

THE PROBLEM

The theater's future had seemed assured when all the funds necessary for revitalization were received. At the time the North Carolina School of the Arts applied for the $3 million EDA grant, it understood that the theater would incur modest operation deficits the same as nearly all public performing arts centers. The theater renovation began in 1979. During renovation, the North Carolina School of the Arts was under the impression that State funds would be available for the operation of the theater. Sadly, however, when the theater was almost completed such State funds were found unavailable. The likely result is that although renovation will be completed, the theater may not meet the city's expectations as a center to develop and enhance artistic programs within the State.

A SOLUTION

As soon as the problem with the theater's operating deficit was identified, the North Carolina School of the Arts began to explore alternative funding. In this investigation, it was determined that if the theater was leased, its operational cost could be provided for while continuing to utilize the theater for the same public performing arts purposes as originally proposed.

In brief, it has been determined that after the Economic Recovery Tax Act of 1981, the Stevens Center has real economic value to private investors. Such value could be realized through long-term leasing of the center from the school. The facility would at all times be used for the purposes specified in the EDA grant. Similar leases of public buildings have already occurred in a number of States including a sale and long-term lease back of the Oakland Public Art Museum in the city of Oakland, a public art museum in the city of Oakland, Calif., and the Pantages Theater for the Performing Arts in Tacoma, Wash.

The proceeds of the Winston-Salem lease, estimated to be approximately $200,000 a year, would be utilized to offset the theater's operating deficits. Without this income, the theater's long-term future is in doubt.

THE NEED FOR THIS AMENDMENT

Under EDA regulations, the approval of this amendment is required for any transfer of property funded in whole or in part by that agency. When the North Carolina School of the Arts sought such approval, however, EDA responded that it was unable to give such.

I understand that EDA officials are satisfied that the theater would continue to be used for the purposes specified in the grant and that EDA understands the need to obtain additional operating revenues. I also understand that EDA officials agree that under their regulations the agency appears to have the discretion to approve the transfer. The problem arises from general regulations of the Office of Management and Budget which EDA interprets as requiring the North Carolina School of the Arts to retain controlling interests in the theater or repay the $3 million to EDA. Because a lease back arrangement of the theater must be effected before its opening on April 22, 1983, there is insufficient time to pursue amendment of the OMB regulations or to obtain a determination that they do not apply.

To solve this dilemma, a legislative solution is needed to authorize a transfer. This amendment would authorize EDA to approve the transfer without requiring repayment of the grant. Under the terms of the school's proposal to EDA, the theater's use would be restricted to exactly the same purposes, for the same period of time, as it would if the school retained full control.

It is imperative that this amendment be adopted. Without it, the North Carolina School of the Arts may well lose a cultural centerpiece for which its citizens have worked so hard. Without it, EDA ironically, may well see the failure of a public performing arts project that it originally deemed important for funding.

This amendment does no more than remove a technicality to permit an important public project to proceed to completion and operation on a self-sustaining basis. I urge my colleagues to support this amendment.

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

The amendment (No. 1198) was agreed to.

The PRESIDING OFFICER. The joint resolution is open to futher amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, Shall it pass?

So, the joint resolution (S.J. Res. 78), as amended, was passed, as follows:

S.J. RES. 78

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating April 24 through April 30, 1983, as "National Organ Donation Awareness Week".

SEC. 2. Upon request of the North Carolina School of the Arts, Winston-Salem, North Carolina, the Secretary of the Commerce shall authorize such school to lease to any person the Stevens Center for the Performing Arts building, without affecting the Federal assistance provided by a grant under the Public Works and Economic Development Act of 1965, if such transfer documents provide for the operation of such facility as a performing arts center.

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

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

The motion to lay on the table was agreed to.

THE CALENDAR

Mr. STEVENS. Mr. President, I inquire from my good friend, the distinguished Democratic leader, if he is agreeable that the Senate now move to the consideration of Calendar Nos. 92, 94, 95, and 96.

Mr. BYRD. Mr. President, there is no objection.

NATIONAL FAMILY WEEK

The joint resolution (S.J. Res. 45) designating the week of November 20, 1983 through November 26, 1983, as "National Family Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 45

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the week of November 20, 1983, through November 26, 1983, as "National Family Week", and inviting the Governors of the several States, the chief officials of local governments, and the people of the United States to observe such week with appropriate ceremonies and activities.

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

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

The motion to lay on the table was agreed to.

WORLD FOOD DAY

The joint resolution (S.J. Res. 81) to authorize and request the President to designate October 16, 1983, as "World Food Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 81

Whereas hunger and chronic malnutrition remain daily facts of life for hundreds of millions of people throughout the world;

Whereas the children of the world are those who are suffering the most serious effects of hunger and malnutrition, with millions of children dying each year from hunger-related illness and disease, and many others suffering permanent physical or mental impairment, including blindness, because of vitamin and protein deficiencies;

Whereas although progress has been made in reducing the incidence of hunger and malnutrition in the United States, certain groups, notably Native Americans, migrant workers, the elderly, and children, remain vulnerable to malnutrition and related diseases;

Whereas the danger posed by malnutrition and related diseases to these groups and to other people is intensified by unemployment and slow rates of economic growth;

Whereas national policies concerning food, farmland, and nutrition require continuing evaluation and should consider and strive for the well-being and protection of all residents of the United States and particularly those most at health risk;

Whereas there is widespread concern that the use and conservation of land and water resources required for food production throughout the United States ensure care for the national patrimony we bequeath to future generations;

Whereas the United States has always supported the principle that the health of a nation depends on a strong agricultural foundation based on private enterprise and the primacy of the independent family farm;

Whereas a major global food supply crisis appears likely to occur within the next twenty years unless the level of world food production is significantly increased, and the means for the distribution of food and of the resources required for its production are improved;

Whereas the United States, as the world's largest producer and trader of food, has a key role to play in efforts to assist nations and peoples to improve the ability to feed themselves;

Whereas the United States has a long tradition of demonstrating its humanitarian concern for helping the hungry and malnourished;

Whereas efforts to resolve the world hunger problem are critical to the security of the United States and the international community;

Whereas the Congress of the United States is acutely conscious of the paradox of immense farm surpluses and rising farm foreclosures in America despite the desperate need for food by hundreds of millions of people around the world;

Whereas a key recommendation of the 1980 report of the Presidential Commission on World Hunger was that efforts be undertaken to increase public awareness of the world hunger problem;

Whereas the member nations of the Food and Agriculture Organization of the United Nations designated October 16 of each year as World Food Day because of the need to alert the public to the increasingly dangerous world food situation;

Whereas past observances of World Food Day have been supported by proclamations of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, and other territories and possessions of the United States, by resolutions of Congress, by Presidential proclamations, by programs of the United States Department of Agriculture and other Government departments and agencies, and by the governments and peoples of many other nations; and

Whereas more than three hundred national private and voluntary organizations plan to participate in World Food Day observances this year: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of American in Congress assembled, That October 16, 1983, is designated "World Food Day". The President is requested to issue a proclamation calling upon the people of the United States to observe that day with appropriate activities to explore ways in which our Nation can further contribute to the elimination of hunger in the world.

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

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

The motion to lay on the table was agreed to.

NATIONAL ALZHEIMER'S DISEASE MONTH

The joint resolution (S.J. Res. 82) designating November 1983 as "National Alzheimer's Disease Month" was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble, was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 82

Whereas more than one million five hundred thousand Americans are affected by Alzheimer's disease which is a surprisingly common disorder that destroys certain vital cells of the brain;

Whereas Alzheimer's disease is the fourth leading cause of death among older Americans;

Whereas Alzheimer's disease is responsible for 50 per centum of all nursing home admissions, at an anticipated annual cost of almost $20,000,000,000;

Whereas in one-third of all American families one parent will succumb to this disease;

Whereas Alzheimer's disease is not a normal consequence of aging; and

Whereas an increase in the national awareness of the problem of Alzheimer's disease may stimulate the interest and concern of the American people, which may lead, in turn, to increased research and eventually to the discovery of a cure for Alzheimer's disease: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That November 1983 is designated "National Alzheimer's Disease Month". The President is requested to issue a proclamation calling upon the people of the United States to observe that month with appropriate ceremonies and activities.

PROTECTION OF REFUGEES AND CIVILIANS CAUGHT IN THE ARMED CONFLICT BETWEEN THAILAND AND KAMPUCHEA

The PRESIDING OFFICER. The next measure, Calendar No. 96, will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 112) expressing the sense of the Senate with respect to the protection of refugees and civilians caught in the island conflict between Thailand and Kampuchea.

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

Mr. LUGAR. Mr. President, on Friday, April 15, 1983, I introduced Senate Resolution 112 with respect to the protection of Cambodian refugees and Thai villagers caught in the armed conflict on the border between Thailand and Kampuchea.

Over the last 10 years, Cambodia has lost perhaps as much as one-third of its population, as a consequence of fighting, persecution, and destruction. The internal terror of Pol Pot has given way to external terror sponsored by Vietnam. For a nation of such small size, Cambodia has undergone an extraordinarily long series of trage-

dies, and the Cambodian people have been forced to bear an unconscionable burden of suffering.

Many Cambodian refugees have fled to the Thai border where they are living in several large refugee camps. The Vietnamese are directly attacking these refugee camps with artillery, tanks, and personnel. In the last 2 weeks, two refugee camps along this border, which together had a total population of over 50,000, have been attacked and overrun by Vietnamese forces. Civilian casualties were heavy, with several hundred killed and all others fleeing across the border into Thailand.

Thailand, which had a standing refugee camp population of 175,000 prior to these attacks, cannot accommodate these large numbers of additional displaced people.

Today the Vietnamese have begun their attack on two more camps, Nong Samet and Ban Sangae, which have a combined population of approximately 100,000, a great majority of whom are women and children. The atrocities committed by the Vietnamese on these refugees cannot go unnoticed. They must be stopped. I hope that passage of this resolution will direct greater attention to the horrible plight of these refugees, demonstrate that this body shares the concern already expressed by others for the safety of these remaining refugees, and encourage the U.N. Secretary-General to investigate these massacres.

I am grateful to my colleagues for their recognition of the urgency of this resolution and the consent of this body to consider it today.

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

The preamble was agreed to.

The resolution (S. Res. 112) was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 112

Whereas the people of Kampuchea have long endured war, bitter civil strife, and atrocities;

Whereas since January 1979, a new agony has been imposed on these long-suffering people by the occupation of their homeland by a foreign power, Vietnam, which, after four years, has not won the support of the Kampuchean people, and has attempted to exert its control with more than 170,000 troops;

Whereas the pain of foreign occupation has been increased for the Kampuchean people by the occupying power's use of chemical and biological weapons in areas of resistance;

Whereas in recent days a tragic byproduct of an intense Vietnamese offensive against anti-Vietnamese Khmer resistance forces was an outpouring into Thailand of tens of thousands of civilians, many wounded, who were displaced from their sites of temporary refuge;

Whereas the attacks on the border have spilled over into Thailand bringing death and destruction to Thai villagers and villages;

Whereas the hundreds of thousands of refugees and displaced persons on Thai soil constitute a serious humanitarian problem;

Whereas the United States commitment to the security of Thailand under the Southeast Asia Collective Defense Treaty, done at Manila on September 8, 1954 (also known as the "Manila Pact") was reaffirmed by President Reagan in his 1981 meetings with Thai Prime Minister Prem;

Whereas the United States Government supports the Association of Southeast Asian Nations (ASEAN) goals regarding a political settlement for Kampuchea within the framework of the United Nations International Conference on Kampuchea, which calls for withdrawal of all foreign forces from Kampuchea; and

Whereas the United States Government has consistently been committed to alleviating the burden to Thailand presented by the large outflow of refugees from Kampuchea and to providing humanitarian assistance to the Kampucheans through an international program: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) all parties to the armed conflict near the border between Thailand and Kampuchea should refrain from actions which may endanger refugees and should extend protection to all refugee camps in such areas; and

(2) the Government of Vietnam should immediately halt armed attacks on civilians and respect their right to safe haven.

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

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

The motion to lay on the table was agreed to.

AUTHORIZATION OF THE TESTIMONY OF THOMAS J. KAROL

Mr. STEVENS. Mr. President, I send to the desk a resolution on behalf of the distinguished majority and minority leaders.

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

The assistant legislative clerk read as follows:

A resolution (S. Res. 121) to authorize the testimony of Thomas J. Karol.

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

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

Mr. STEVENS. Mr. President, on behalf of the majority leader, Mr. BAKER, I wish to state that the Permanent Subcommittee on Investigations has been requested to provide the testimony of one of its staff members, Thomas J. Karol, at a hearing called by the attorney general of New York State which will consider proposed State legislation directed at fraudulent activities in the commodities and securities markets. The subcommittee has held hearings on matters that may be pertinent in the consideration of the draft legislation and the Committee on Governmental Affairs has issued a report made by the subcommittee on commodity investment fraud. This resolution would authorize the staff member to testify only as to matters of public record, which would encompass the matters addressed in those subcommittee hearings and the commodity investment fraud report.

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

The preamble was agreed to.

The resolution (S. Res. 121) was agreed to.

The resolution with its preamble, is as follows:

S. RES. 121

Whereas, the Attorney General of New York State will conduct a public hearing to examine abuses in the commodities and securities market, and to consider proposed state legislation to deal with various aspects of such abuses;

Whereas, the Permanent Subcommittee on Investigations has conducted an investigation and held hearings resulting in a Senate report by the Committee on Governmental Affairs on matters which may be germane to the New York hearing;

Whereas, a staff employee of the Permanent Subcommittee on Investigations, Thomas J. Karol, has been requested to appear as a witness in this matter;

Whereas, by the privileges of the Senate of the United States no evidence under the control or in the possession of the Senate can be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that testimony of a staff employee of the Senate is needful for use in any proceeding for the promotion of justice, the Senate will take such action thereon as will promote the ends of justice consistently with the privileges and rights of the Senate; Now, therefore, be it

Resolved, That Thomas J. Karol is authorized to appear and testify as to matters of public record in this matter.

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

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

The motion to lay on the table was agreed to.

CORRECTIONS IN PUBLIC LAW 98-8

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate turn to the consideration of House Joint Resolution 245, a joint resolution making technical corrections in Public Law 98-8, the jobs bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 245) to correct Public Law 98-8 due to errors in the enrollment of H.R. 1718.

There being no objection, the joint resolution (H.J. Res. 245) was considered, ordered to a third reading, read the third time, and passed.

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

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

The motion to lay on the table was agreed to.

JOINT REFERRAL OF S. 127 AND S. 418

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate bills 127 and 418, both entitled "The Unfair Foreign Competition Act of 1983," be jointly referred to the Committee on Finance and the Committee on the Judiciary.

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

REFERRAL OF S. 724

Mr. STEVENS. Mr. President, I ask unanimous consent that when S. 724, a bill to authorize the U.S. Army Corps of Engineers to undertake activities to provide new public works investment, grants to the several States to encourage and foster the construction of necessary public capital investment projects, to assist in creating new and productive jobs, is reported by the Committee on Environment and Public Works it be referred to the Committee on Labor and Human Resources for not more than 30 days solely for the purpose of considering and reporting amendments to title V thereof.

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

JOINT SESSION OF THE TWO HOUSES TO RECEIVE A MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

Mr. STEVENS. Mr. President, I ask unanimous consent the Senate turn to the consideration of House Concurrent Resolution 114, a concurrent resolution providing for a joint session of the two Houses on Wednesday, April 27, 1983, to receive a message from the President of the United States.

Mr. BYRD. Mr. President, reserving the right to object, and I will not object, what time will that meeting occur?

The PRESIDING OFFICER. At 8 p.m.

Mr. BYRD. I thank the Chair.

The PRESIDING OFFICER (Mr. ABDNOR) laid before the Senate House Concurrent Resolution 114, providing for a joint session of the House and Senate on Wednesday, April 27, 1983, to receive the President of the United States.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 114) was agreed to.

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

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

The motion to lay on the table was agreed to.

THE 175TH ANNIVERSARY OF THE FOUNDING OF MOUNT ST. MARY'S COLLEGE

Mr. STEVENS. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Resolution 105, a resolution to extend congratulations on the 175th anniversary of the founding of Mount St. Mary's College and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 105) to extend congratulations on the 175th anniversary of the founding of Mount St. Mary's College.

The Senate proceeded to consider the resolution.

Mr. MATHIAS. Mr. President, one of the outstanding educational institutions in America for a century and three quarters is Mount St. Mary's College which is situated in the foothills of the Catoctin Mountains near Emmitsburg, Md. It is the oldest, independent college affiliated with the Catholic Church in the United States.

I personally feel a great debt of gratitude to Mount St. Mary's which awarded me a degree of Doctor of Laws with great charity and generosity.

It is a pleasure for me to salute the members of the faculty, the student body, the large body of alumni of Mount St. Mary's College, all of whom have contributed much to the United States over this period of 175 years.

Mr. SARBANES. Mr. President, I want to thank the majority leader, the minority leader, the chairman of the Senate Judiciary Committee, and the ranking minority member of the Senate Judiciary Committee for agreeing to immediate consideration of Senate Resolution 105 honoring Mount St. Mary's College in Emmitsburg, Md., on its 175th anniversary.

This resolution, cosponsored by my senior colleague, Senator MATHIAS, congratulates America's oldest independent Catholic college on an important occasion, the 175th anniversary of its founding. I might note that Senator MATHIAS resides in Frederick County, the home of Mount St. Mary's College, and has a special interest in this significant event in the college's history.

With many distinguished graduates in an enormous number of fields, Mount St. Mary's has been a source of leaders in the areas of religion, government, the arts, and the sciences. It has continued its historic tradition of academic excellence while updating its curriculum.

On May 6, Mount St. Mary's College will celebrate the anniversary with an academic convocation of faculty, staff, distinguished graduates, and friends of this great institution, and it is entirely appropriate that the U.S. Senate today pass this resolution extending the congratulations of the Senate to President Robert J. Wickenheiser on the college's 175th anniversary.

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

The preamble was agreed to.

The resolution (S. Res. 105) was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 105

Whereas Mount St. Mary's College is celebrating the one hundred seventy-fifth anniversary of the founding of the college in 1808;

Whereas Mount St. Mary's College is the oldest independent Catholic college in the United States;

Whereas Mount St. Mary's College was a symbol of religious freedom in the early nineteenth century by serving as a haven for Catholics from Europe and America to receive a quality education;

Whereas Mount St. Mary's College has graduated many distinguished alumni who have made great contributions in religion, government, and the arts and sciences;

Whereas Mount St. Mary's College has continued a tradition of academic excellence to the present: Now, therefore, be it

Resolved, That the United States Senate congratulates Mount St. Mary's College on the occasion of its one hundred seventy-fifth anniversary.

SEC. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to the President of Mount St. Mary's College.

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

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

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. STEVENS. Mr. President, I now ask my distinguished friend, the Senator from West Virginia, if he is in agreement with a motion to place the Senate in executive session for the purpose of considering all nominations on the executive calendar commencing with Calendar No. 73 on page 2 through pages, 3, 4, 5, 6, 7, 8, 9, 10, and the nominations on the Secretary's desk on page 11.

Mr. BYRD. Mr. President, all nominations beginning with Calendar Order No. 73 on page 2 and continuing through pages 3, 4, 5, 6, 7, 8, 9, 10, and 11, which includes nominations placed on the Secretary's desk, have been cleared on this side of the aisle I am pleased to state to the acting Republican leader.

Mr. STEVENS. Mr. President, I move that we go into executive session for the purpose of considering the nominations referred to by both the distinguished Senator from West Virginia and myself.

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

Mr. STEVENS. Mr. President, I now move that those nominations be considered en bloc and confirmed en bloc.

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

The nominations considered and confirmed en bloc are as follows:

IN THE AIR FORCE

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

Lt. Gen. William R. Nelson, [redacted] FR, U.S. Air Force.

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 lieutenant general

Maj. Gen. Jack I. Gregory, [redacted] FR, U.S. Air Force.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be general

Gen. Donn A. Starry, [redacted] (age 57), U.S. Army.

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 lieutenant general

Maj. Gen. John D. Bruen, [redacted], U.S. Army.

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 general

Lt. Gen. Maxwell R. Thurman, [redacted] U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Jack N. Merritt, [redacted], U.S. Army.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Richard G. Trefry, [redacted] (age 58), U.S. Army.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Nathaniel R. Thompson, Jr., [redacted], U.S. Army.

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 general

Lt. Gen. Paul F. Gorman, [redacted], U.S. Army.

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 general

Lt. Gen. Wallace H. Nutting, [redacted], U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Raphael D. Tice, [redacted] (age 55), U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. William J. Hilsman, [redacted] (age 50), U.S. Army.

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. James R. Hogg, [redacted] U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. "M" Stasser Holcomb, [redacted], U.S. Navy.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be admiral

Adm. John G. Williams, Jr., [redacted], U.S. Navy.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be vice admiral

Vice Adm. Edward P. Travers, [redacted], U.S. Navy.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be vice admiral

Vice Adm. Kent J. Carroll, [redacted] 1110, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 5142, to be assigned as the Chief of Chaplains, U.S. Navy:

To be chief of chaplains

Rear Adm. Neil M. Stevenson, Chaplain Corps, [redacted], U.S. Navy.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, sections 5133 and 1370:

To be vice admiral

Vice Adm. J. William Cox, Medical Corps, [redacted], U.S. Navy.

The following-named captains of the Reserve of the U.S. Navy for permanent promotion to the grade of commodore in the line and staff corps, as indicated, pursuant to the provisions of title 10, United States Code, section 5912:

UNRESTRICTED LINE OFFICER

John Joseph Sweeney.
John Edward Love.
Kenneth Edward Myatt.
John Edward Summers.

SPECIAL DUTY OFFICER (CRYPTOLOGY)

William Joseph Miles.

SPECIAL DUTY OFFICER (INTELLIGENCE)

Robert Patrick Tiernan.

MEDICAL CORPS OFFICER

John Duncan Tolmie.
James Glen Roberts.

SUPPLY CORPS OFFICER

Philip Arthur Whitacre.

JUDGE ADVOCATE GENERAL'S CORPS OFFICER

Robert Edward Wiss.

DENTAL CORPS OFFICER

Edward John O'Shea, Jr.

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. Edward H. Martin, [redacted], 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. Bernard M. Kauderer, [redacted] 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. Powell F. Carter, Jr., [redacted], U.S. Navy.

The following-named officer under the provision 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. James B. Busey, IV, [redacted] 310, U.S. Navy.

The following-named officer under the provision of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be admiral

Adm. William J. Crowe, Jr., [redacted] 1120, U.S. Navy.

The following-named officer under the provision of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be admiral

Adm. William N. Small, [redacted] /1310, U.S. Navy.

The following-named officer under the provision of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. William H. Rowden [redacted] 1110, U.S. Navy.

THE JUDICIARY

William H. Barbour, Jr., of Mississippi, to be U.S. district judge for the southern district of Mississippi vice William H. Cox, retired.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, MARINE CORPS, NAVY

Air Force nominations beginning Fred E. Ellis, and ending Martin A. Lukacs, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 21, 1983.

Air Force nominations beginning Lynn R. Anderson, and ending Ronald S. Tourigny, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 21, 1983.

Marine Corps nominations beginning William S. Ainsley, III, and ending Harvey L. Zimmerle, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 21, 1983.

Navy nominations beginning Donald Lewis Abbey, and ending Julian Maynard Wright, Jr, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 22, 1983.

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

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

The motion to lay on the table was agreed to.

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

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

LEGISLATIVE SESSION

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

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

JUVENILE JUSTICE

Mr. HATCH. Mr. President, I call to the attention of my colleagues an outstanding recent speech on the subject of juvenile justice delivered by Mr. Alfred Regnery, the Acting Director of the Office of Juvenile Justice and Delinquency Prevention. Mr. Regnery's nomination as permanent Director is currently being considered by the Committee on the Judiciary.

In particular, I wish to commend Mr. Regnery for his commitment to analyzing the extent to which previously funded programs have produced anything useful in combating juvenile crime. It has been the concern of a number of observers, including myself, that there has been a tendency on the part of this Office to continue siphoning Federal funds each year to programs that have not contributed in any apparent way to assisting our society in dealing with the problem of youthful crime, particularly violent crime. I am pleased with Mr. Regnery's speech, as well as his record during his months as Acting Director, suggests that this will no longer be the case at this agency. I ask unanimous consent that the full text of this speech be printed in the RECORD.

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

SPEECH OF ALFRED S. REGNERY 10TH NATIONAL CONFERENCE ON JUVENILE JUSTICE

Thank you for the opportunity to appear before you today. I have looked forward to this moment since assuming office in November—actually, since before that day when, in a letter congratulating me on my appointment, Arne Schoeller suggested that I address your convention here in Hilton Head. I should tell you, incidentally, that that letter arrived before my appointment had been made public and when both the Attorney General's office and I were trying to keep the fact that I had been appointed a secret. You can rest assured that Arne's intelligence in Washington is superb; unfortunately, he sent copies of the letter to everybody in town. The appointment was no longer secret.

In any case, I am pleased to be here today, and particularly pleased to make this, my first major policy address since taking office, to this group of judges and prosecutors. I want to talk about the Juvenile Justice System and the Criminal Justice System, and about crime generally, and to raise some issues which I believe need to be raised. I want to give you some idea of the way we, in leadership positions at the Department of Justice, perceive juvenile justice issues to be, and how we hope to address them during the remainder of this administration. Most importantly, though, I want to address some of the major issues which will confront juvenile justice during the coming several years, and which must, I believe, be addressed by the state legislatures and the Congress.

I don't need to tell you that the dream that existed when the juvenile justice system was created has largely been shattered. Indeed, many believe that dream has turned into a nightmare. Nevertheless, to a great extent, the system, if that is what it is, still continues on in much the same form as when it was created. (Former Watergate prosecutor and now Georgetown law professor, Sam Dash, speaking of the criminal justice system, recently said it was really no system at all, but just fifty years of bad practice. God only knows what he would say about the juvenile justice system.)

The preconceptions and misconceptions which created the juvenile justice system in the first place still exist to such an extent that challenges to the system from within, are considered as heresy, and that challenges from without are often ignored. Those misconceptions—that juveniles are incapable of criminal conduct, that the court of jurisdiction should be determined by the date of the offender's birthday rather than the seriousness of the offense, that juveniles "mature out" of criminal behavior, and that we should not stigmatize juvenile offenders by allowing their records to follow them into adulthood—those misconceptions, although they defy reality, have been the conventional wisdom for so long as to completely skew the priorities and perspectives of the juvenile justice system.

Allow me, for purposes of reference, to give you a few facts and figures—facts and figures which most of you have heard before, but which will nevertheless be valuable to put the proper perspectives on the problem which we face.

The incidence and nature of juvenile crime is a complex subject. It resists quick judgments or sensational conclusions. Numbers and percentages alone do not tell the whole story. Still, by any standard, the numbers and percentages are startling.

The Bureau of Justice Statistics at the Department of Justice estimates that in 1979, juveniles up to 18 years of age accounted for about 20% of all violent crime arrests, 44% of all serious property crime arrests and 39% of all overall serious crime arrests. Yet juveniles aged 10 to 17 constitute 13.6% of the total population. When the statistics for youthful offenders (ages 18–20) are added in, the percentages are even more sobering. In 1979, children and youth aged 12 to 20 accounted for 38% of all violent crime arrests, 62% of all serious property crime arrests and 57% of all overall serious crime arrests.

When actual numbers are substituted for percentages, the statistics become still more dramatic. In 1980, the FBI reported approximately 9.7 million total arrests, of which approximately *2.1 million were juveniles aged 10 to 17.* According to FBI self-reporting surveys, each year, males aged 12 to 18 commit 3.3 million aggravated assaults, 2.5 million grand thefts and 6.1 million breakings and enterings. That is almost 12 million crimes. The numbers for crime in the schools are also staggering. An estimated 282,000 students are attacked at school in a typical one-month period, and an estimated 5,200 teachers are physically attacked at school each month. Even more alarming is the fact that even though juvenile crime rates may be declining, the violence and intensity of that crime is increasing. In a new study to be released soon, Marvin Wolfgang concludes that today's juvenile offender is becoming increasingly more violent in his crimes and that each offender is committing

significantly more crimes during his career than ten years ago. If that is true, despite improved demographics for juvenile crime, the problem may be getting worse.

The FBI figures thus show that for just three offenses—aggravated assault, grand theft, and breaking and entering, juvenile boys committed 12 million offenses in 1980. Yet, the Bureau of Justice Statistics estimates that for that year, fewer than 100,000 juveniles were incarcerated for *all* offenses. Most were never apprehended. Of those who were, most were either let off or placed on probation—often meaningless probation, I might add.

If we look at the arrest rates per capita for various age groups, we find those rates to be the highest for those between 14 and 18. More interestingly, perhaps, we find a precipitous drop in the rate starting at about age 16 and continuing into the early twenties—at the age when the offenders leave the jurisdiction of the juvenile system.

Finally, the recidivism rate—the thing that is supposed to be cured by rehabilitation, the watchword of the juvenile justice system—is higher among juveniles than among any other age group. And although many juvenile offenders do "grow out" of their criminal behavior, an alarming number will go on to become the "career criminals" of tomorrow.

What is the response of the juvenile justice system to this incredible state of affairs? Let me cite a couple of examples.

Two studies in three New York counties offer devastating evidence of the breakdown of the juvenile justice system. One examined the dispositions of 191 juveniles who had committed a violent crime; it concluded that only 9% of those juveniles convicted of violent offenses were placed in any kind of facility. Astonishingly, even among the chronic juvenile offenders—those who had committed five or more offenses—only 20% were placed in a facility. And in a separate independent study, the New York State Office of Children's Services found that of the almost 4,000 juveniles arrested for robbery in a twelve month period, only 115 received some form of custodial supervision.

It is perhaps no wonder that the juvenile justice system is under increasing attack. Which of the state legislatures has not at least debated or perhaps amended its juvenile code in the past few years? What would-be congressman or senator has not attacked it? The press? Indeed, the Attorney General's Task Force on Violent Crime, as well as the President's Task Force on Victims of Crime, have forcefully called for a re-examination of much of the juvenile justice system to make it more responsive to the times in which we live.

I don't advocate abolition of the juvenile justice system. There is, I believe, still a place for the system, if perhaps more limited than it now is. But by the same token, I believe that mindless defense of the system will neither produce nor preserve much of value.

In a Report of the National Commission on Criminal Justice Standards and Goals, (1974), it was stated that: "There are a number of studies which suggest that many children mature out of delinquent behavior. If this is true, the question is whether it is better to *leave these persons alone* or put them in the formal juvenile justice system." Because there are no satisfactory measures of the effectiveness of the juvenile justice system, there is a substantial body of opinion which favors "leaving alone" all except those who have had three or four contacts with the police.

Similarly, one of my predecessors in this office stated that he believed that such damage was done to juvenile offenders by their contact with the juvenile justice system that society would be better off if the offenders were never apprehended.

That kind of thinking epitomizes the intellectual bankruptcy that exists among many of the defenders of this system. *What is best for the violator* is the only concern; the rights and welfare of those who are, or will be, the victims are simply ignored. I suggest it is such "pie-in-the-sky" thinking that will sound the death knell to even those parts of the system which should survive.

There are, I believe, certain issues, sacred among some of you, which need to be addressed, studied and observed, in order to determine their continued viability in today's world. We need to disregard the conventional wisdom, disregard the turf battles, disregard the political pressure which will surely result, and to go to the heart of certain issues to determine, if we can, the unvarnished truth.

What are these issues?

I believe that, first and foremost, the very philosophy of the juvenile system and its relationship to today's crime rate must be intelligently re-examined. Does a system which was set up in 1899 to deal with what was then a problem of modest significance, at best, still work in today's complex world? Do yesterday's theories of rehabilitation, non-culpability and confidentiality still have any place in our criminal justice system of today? Do they make sense when applied to 17 year olds, or perhaps only to those younger than eleven or twelve? We believe that our youth grow up earlier, that they are "older" than they were fifty years ago, and that 15 and 16 year olds are mature individuals capable of exercising considerable responsibility. If that is true for purposes of education, entertainment, recreation, or even constitutional rights, is it not also true for the way in which they are adjudicated for their misdeeds?

I propose that we empanel some of our most creative thinkers to address those issues in depth, to ask those hard questions which we must, from time to time, ask ourselves. OJJDP will sponsor such an undertaking. We will let the chips fall where they may, and will disburse the results widely to the public.

Second, I believe that the issues of juvenile records and confidentiality need to be studied and seriously debated. Juvenile records, their applicability to criminal justice, and the impact their restricted availability has on adult crime is certainly a burning issue among prosecutors, judges, criminologists, and indeed the public.

Yet, when I asked our Institute to provide me with an abstract of the research and studies available on the question of juvenile records, I found very little of value, and nothing which addressed the important issues which they pose.

And what are the critics saying on the question of records? Let's look at a couple of examples:

Marvin Wolfgang says he is convinced that the records of violent juveniles, particularly recidivists, must be readily available to the adult criminal justice system in order to identify career criminals as they enter their adult lives and to halt their careers at an early stage.

In a paper soon to be released on the subject, the Bureau of Justice Statistics concludes that the strategies to prosecute violent offenders, identify career criminals and punish habitual offenders require information to succeed, information which does not necessarily differentiate behavior when an adult from behavior when a juvenile.

Speaking of violent offenders, Senator Edward Kennedy, in 1978, said, "The law should permit the photographing and finger-printing of offenders; line-up identifications should be permitted. Most importantly, an up-to-date criminal history of the offender should be readily available to judges at the time of sentencing."

And NYU law professor Martin Guggenheim recently advocated the total elimination of confidentiality for juveniles. "It has been a protection for terrible abuses," he said.

I suggest that the concept of confidentiality for juvenile offenders and their records may have run its course. It is certainly detrimental to the effective functioning of the criminal justice system to seal or expunge juvenile criminal records. Law enforcement officers have, as their principal weapon in the arsenal of crime-fighting, the use of information. The police proceed upon the logical hypothesis that criminals are often repeaters, and that someone who has been arrested for, or convicted of, a felony will be a logical suspect in a subsequent crime.

As investigative techniques become even more sophisticated, the need for information, including juvenile records, becomes more and more crucial. It seems logical, as well, that the availability of *all* juvenile records to the adult prosecutor and judge will facilitate sentencing, parole, probation, plea-bargining, and cross-examination. Would open records, be a deterrent to other crime? We don't know. It is our duty to find out. We will thus conduct extensive research on confidentiality to try to determine its impact on crime.

Third, the theory of almost complete reliance on rehabilitation is under severe attack and has lost whatever glamour the public ever found it to have. James Q. Wilson states that his analysis shows that with few and isolated exceptions, rehabilitative efforts have had no appreciable effect on recidivism. Juvenile recidivist rates, according to the Bureau of Justice Statistcs, are considerably higher than adult rates. Where the theory of juvenile corrections relies almost entirely on rehabilitation, we must attempt to determine why recidivism among juveniles is greater than among adults, and must provide the state legislatures with data and information so that they can make their laws more effective.

The recently released President's Task Force Report on Victims of Crime in America calls on the federal government to re-examine the entire area of juvenile punishment. The report states: "It is unacceptable for a juvenile who commits murder to serve only a year in custody. Imposing such a sentence implies to both the killer and the victim's family that expiation for the life taken can be accomplished in 12 months. It must be faced that some juvenile offenders are more sophisticated about crime, the way in which the system operates, and how they can avoid being held culpable than are many adults. The method of punishment for those juveniles who have documented criminal histories or who have committed serious violent crimes should be critically re-evaluated. The current policies of many jurisdictions neither reform nor punish; they only teach juveniles that they can act with relative impunity if they learn how to take advantage of the system. Ways to deal effec-

tively with the juvenile who has graduated to committing adult violent offenses must be devised."

We also plan, at the Office of Juvenile Justice, to undertake some programs which will directly assist the juvenile justice system in dealing with the juvenile crime problem I have described.

As you no doubt know, the principal thrust of our office, over the past decade, has been the removal of status offenders from institutions and more recently the separation of juveniles and adults in jails. Those efforts, which were the principle mandate of the Juvenile Justice Act, have been amazingly successful. Not only have some 85% of all status offenders been deinstitutionalized, but there remains a continuing national commitment to achieving the goals of the Act. I support those goals and will, of course, as the Administrator of OJJDP, see that the mandates of the Act are diligently carried out.

The Act, as amended in 1980, provides the Administrator with considerable discretion in planning and executing programs to deal with the problems of serious juvenile crime. Training, technical assistance, programs concerning drug and alcohol abuse, research and the dissemination thereof, programs dealing with runaway youth, the general reduction of youth crime, and the improvement of programs already established which deal with juvenile delinquency are some of the things which the Office is authorized to fund in our special emphasis program and in the Institute. Additionally, as John Wilson from our General Counsel's office will tell you later today, sufficient progress has occurred in the areas of removal and separation so that formula grant resources in many, if not most, states can now be redirected toward other program priorities, including dealing comprehensively with serious and violent youth crime.

Let me briefly describe some of the specific programs which we plan to undertake:

Expanded training of police, prosecutors and judges;

Technical assistance to state and local governments to assist in programs which deal with serious youth crime;

A drug suppression program which would begin a law enforcement organizational development process designed to assist law enforcement authorities in the interdiction and suppression of drug traffic among juveniles. The intent is, of course, to reduce drug abuse and drug-related crime among juveniles, and the apprehension of individuals, both adult and juvenile, engaged in drug traffic activity within the juvenile community;

Development of programs to assist in the prosecution of youth gang members;

Development of a system and funding of programs which will assist the law enforcement community, and the private sector, in dealing with the tragic, and related, problem of runaway youth, child abuse and sexual exploitation, serial child murders such as the Gacey and Williams cases, and child pornography and prostitution—problems described yesterday by Father Ritter, and later today by Ken Wooden.

Additionally, we have continued funding of two Violent Offender Programs which were commenced, and conceived before my arrival at OJJDP, and have funded, for the final year, the New Pride demonstration project. I do intend to see that New Pride, as well as several other initiatives, become institutionalized as quickly as possible so that they are able to operate without government funds.

I believe that the Office of Juvenile Justice and Delinquency Prevention must, aside from its operational function, provide the background information, and the leadership, to permit the status quo to be challenged. To do anything else—to protect the system because it is a system—would be to ignore the realities of the times, and to ignore the terrible price that the victims, and that we, as citizens, must pay for excessive crime. We will not, we cannot, ourselves, change the system. But we can attempt to provide the facts, the data, and the evidence which will help those who can improve the system to find the truth and to act intelligently.

James Q. Wilson, in his book *Thinking About Crime,* argues for a sober view of man and his institutions that would permit reasonable things to be accomplished, foolish things abandoned, and utopian things forgotten. There is a great deal of wisdom in Professor Wilson's statement. It falls upon us to have the insight to identify which parts of our system are reasonable, which parts are foolish, and which parts are utopian. It falls upon us, too, to have the courage to abandon those things which we find to be foolish, and the courage to forget those things we find to be utopian.

Mr. HATCH. Mr. President, I would like to call to the attention of my colleagues a recent article by Prof. Albert Blaustein on the trend in recent years by ethnic groups around the world toward government autonomy. Professor Blaustein is one of the Nation's most distinguished constitutional scholars, having focused in particular upon the comparative aspects of various national constitutions. Although I do not agree with everything in Professor Blaustein's article, I do commend it to the attention of my colleagues as a thoughtful analysis of an increasingly significant aspect of international affairs. I ask unanimous consent that the full text of this statement appear at this point in the RECORD:

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

[From the American Journal of Comparative Law—1982]

THE NEW NATIONALISM [1]

(Albert P. Blaustein*)

I. THE THESIS-THEOREM

Human rights—in its perfect, ideal manifestation—demands an ever-increasing multiplication of micro-mini states, accompanied by massive political decentralization in those nation-states which cannot be divided or dissolved. The greater the degree of autonomy, the greater the extent of human rights . . . with this proviso—

That human rights be viewed primarily as group rights (i.e. rights based upon sex, race, religion, language, culture and ethnicity) rather than as individual rights.

"Aren't all civil rights individual rights?," queried Justice Thurgood Marshall from the bench of the United States Supreme Court in 1979, addressing counsel arguing the constitutionality of veterans preference laws.[2] No, Justice Marshall, they are not. It is unfortunate that this distinction has not been recognized in the Supreme Court opinions; it is regrettable that the Supreme Court has not come to grips with the issues which this distinction has created.

And furthermore, group rights are more important than individual rights.

This is not to deny the importance of individual human rights. And it may be the consummate verity that when one needs a writ of habeas corpus he needs it badly. But there are not many of us who are ever involved in a habeas corpus situation or who can even conceive of being in one. How "relatively" insignificant compared with the religion one practices daily, the language one uses constantly, the never-changing skin color, the ever-continuing ethnic consciousness!

"Regardless of the source of disadvantages and inequalities in multiethnic societies, increasing and increasingly group-based demands for removing them and building protective rules and institutions against their reemergence can be seen in many societies. Doubtless, the transnational diffusion of egalitarian values and a concern for human rights has fueled these demands and will continue to do so"[3] How true. And how obvious to the most casual of observers! Not only is this manifest in the proliferation of new nations but in the breakdown of central authority in the old established governments. Right-wing President Ronald Reagan espouses states' rights and something called the New Federalism. Left-wing President François Mitterrand is the proponent if décentralization et régionalisation.

Thus the realities support the thesis. We are now at the threshold of decades of dispute over the "ideal" constitutional arrangements to best achieve rights—controversies over the optimum degrees of autonomy necessary to secure, preserve and foster the manifestations of ethnicity. I call this the New Nationalism.

II. THE THEORY

There is (or perhaps "was" is the better word) a theory (most strongly advanced by Americans) that "tended to associate ethnicity with premodern stages of development—with primordial or prerational sentiments and with primitive social and political organization."[4]

The best known and, according to one scholar, "the most famous and influential statement on the eventual assimilation of racial groups was made by Robert E. Park."[5]

"In the relations of races, there is a cycle which tends everwhere to repeat itself . . . The race relations cycle which takes the form . . . of contacts, competition, accommodations and eventual assimilation is apparently progressive and irreversible. . . . Racial barriers may slacken the tempo of the movement, but cannot change its direction. . . . The forces which have brought about the existing interpretation of peoples are too vast and irresistible that the resulting changes assume the character of a cosmic process."[6]

And here is some concluding language on that theme by Cynthia H. Enloe:

"It is a nuisance, even a danger, when certain human circumstances stubbornly persist despite their "dysfunction" to modern life and mobile man. Religion, superstition, fatalism, familialism, nostalgia, passion—all are obstacles that development theorists must analyze so that public officials can reduce their negative influence. Ethnic loyalties fall into a similar category. They, like religion and passion, can be useful in the

Footnotes at end of article.

short run, but eventually they curb progress and blind individuals to their true capacities. Like a mid-wife, an ethnic group may assist at birth but should be ready to depart soon afterward. Groups founded on ethnic allegiance compete with the nation-state. Such competition is intolerable because the nation-state is the principal vehicle for development. According to development theorists, ethnic groups are not acceptable if they siphon off emotions and energies crucial for national planners." [7]

I doubt that this was ever the view of the majority. And if it was, it was a short-lived majority which held forth during the first days following the establishment of the United Nations. That was the time (1945) of the American individual rights oriented Universal Declaration of Human Rights. That was the time of universal pleas to treat each individual alike, *regardless* of sex, race, religion, language and culture. That was before the New Nationalism.

But at least by 1966 [8]—the time of the International Covenant on Civil and Political Rights—another philosophy (and other guidelines) dominated. For now there was a plea to treat groups of peoples in special ways, precisely *because* of their sex, race, religion, language and culture.

Thus Article 27 of the Covenant:

"In those States in which ethnic, religious or linguistic minorities exist, persons belonging to such minorities shall not be denied the right, in community with the other members of their group, to enjoy their own culture, to profess and practice their own religion, or to use their own language."

An even stronger expression of the New Nationalism is set forth in the Draft Declaration of Race and Racial Prejudice, unanimously approved by UNESCO on November 29, 1978.

It reads:

"9(2) Special measures must be taken to ensure equality and dignity and rights for individuals and groups whenever necessary, while ensuring that they are not such as to appear racially discriminatory. In this respect, particular attention should be paid to racial or ethnic groups which are socially or economically disadvantaged, so as to afford them, on a completely equal footing and without discrimination or restriction, the protection of the laws and regulations and the advantages of the social measures in force, in particular in regard to housing, employment and health; to respect the authority of their culture and values; and to facilitate their social and occupational advancement, especially through education."

In other documents and studies,[9] the United Nations has coupled group rights demands with self-determination. This makes sense. Certainly they both fit neatly under the New Nationalism umbrella.

But while everyone mouths approval of group rights, self-determination is something else. It is one thing to preach human rights; it is another to implement them. One man's self-determination is another man's treason. And what of self-determination and the law? Here is one position:

"On this evidence [international documents and the practice of states], it cannot be said that the principle of self-determination has acquired a general recognition by states as being obligatory. At best, there seems to be emerging a norm whereby, once the basic decision for political reorganization or redistribution of power has been made, a principle of self-determination is applied to obtain the desired result in a desirable fashion. But the norm is not of law as yet." [10]

Yes, there are those who foresee the eventuality of a homogeneous peoplehood, who adhere to melting pot philosophy and who employ such jargon as consensus orientation to preach assimilation and amalgamation. Yes, there are those who decry the New Nationalism as tribalism, call it impractical and question its validity in the law. Yes, there are those sworn to uphold territorial integrity and who call it treason.

But they are against the trend.

A qualification—from an advocate of the New Nationalism: Group rights demands for sovereignity must not be at the expense of the security of neighboring states. Nor can the world support the group rights of one ethnic entity in such manner as to deny the group rights of another. The group rights of the Greeks of Cyprus must be recognized; but not as a Trojan horse for a proposed political union between Greece and Cyprus—something the Greeks have a word for: *enosis*. And beware pseudo liberation movements under the guise of group rights. Hitler and Stalin made good use of this camouflage to facilitate conquests. Present-day dictators seek to follow those successes.

III. THE TREND

Modern history, as it has evolved—and as it has been taught—has been exemplified by e pluribus unum. But that is now the past. The days of risorgimento and irredentism and colonialism belong to the last century. Nationhood today knows not ecumenicism.

On the eve of World War II, the world community numbered some 70 nation-states. Now there are 94 more. The New Nationalism can be said to have begun with the independence of Lebanon in 1943, and it has continued in 1981 with the independence of tiny Antigua and Barbuda (one country).

And tiny it is, with a total population of only 70,000. Further, 1,700 of that population is on the island of Barbuda which was pressured into this new union by the United Kingdom and which has threatened secession both before and after statehood.

Let us look at a few more cases:

Granted independence during this period was Britain's Gilbert and Ellice Islands Colony. But before independence it had first split into the separate dependent territories of Gilbert Islands and Tuvalu—and with independence it became the microstates of Kiribati (1979) and Tuvalu (1978). And why two separate nations? Answer: because the population of Kiribati is Micronesian and the population of Tuvalu is Polynesian.[11]

In 1940, there were only seven independent Muslim countries; now there are 40.

On the african continent, only Ethiopia, Egypt, Liberia and South Africa were independent prior to World War II. Now there are 50 recognized sovereignties, plus three former South African black homelands which possess all the formalities of independent statehood except recognition.[12] The further segmentation of South Africa to create additional black states is continuing.

And there will be many more states on that continent. Africa's national boundaries are the least stable of all. The map of Africa is the result of a log series of European treaties culminating in the Berlin Conference of 1885 [13]—treaties which largely overlooked tribal, ethnic, linguistic, religious and historic boundary lines. The heroic efforts of Ethiopia's Haile Selassie semi-convinced the new nation-states to retain the colonial frontiers which they had inherited. He saw no alternative. Any attempt to restructure boundaries would result in warfare and a neglect of development programs.

Yet the New Nationalism will have its way. Only armed might has enabled Nigeria to prevent the secession of Biafra and Zaire to prevent the secession of Katanga—so far. But war continues over Eritrean independence and the claims of ethnic Somalis on Ethiopia's borders. And there are conflicts between Algeria and Morocco, between Nigeria and Cameroon, between Tanzania and Malawi. etc.

British India was first divided into India and Pakistan and then the latter was further divided into Pakistan and Bangladesh—based on religious, language and cultural differences. And one can predict the eventual devolution of Pakistan (again on the basis of groups rights) into four autonomous entities and perhaps even four separate states.[14]

What has been said about Pakistan is even more true of Yugoslavia with her six component republics and two additional autonomous provinces.

The list of examples is (seemingly) never-ending. Here is a select assortment of a few more of them, reflecting both the past and the future.

The United States Trust Territory of the Pacific Islands, with a population of only 135,000, is already divided into four local self-governing entitles: Northern Marianas, Marshall Islands, Palau and the Federated States of Micronesia. Will they eventually become four separate sovereign states?

The most publicized (and most violent) manifestations of group rights are in Ireland and the Middle East, and both situations cry for constitutional autonomy solutions. In the totality of the Emerald Isle, the Protestants are in the minority; in the six-county northern enclave of Ulster, a part of the United Kingdom, the Protestants constitute the majority. Catholic factions throughout the island contend for a united Ireland and Catholics in Ulster strive for group rights in the Protestant-dominated north.

Arab Palestinians constitute 65 percent of the population of that 76 percent of the territory of the British Mandate of Palestine now called Jordon. They constitute the vast majority of the so-called West Bank and make up sizeable minorities in both Lebanon and Israel. Their group rights, autonomy and statehood demands are in varying degrees of satisfaction and dispute in the three nation states and the disputed West Bank area which the Israelis know as Judea and Samaria.

Fiji still maintains dual voting rolls to assure Fijian control over a nation whose majority population is ethnically Indian.

Canada is not only facing the threat of a separate, French-speaking, Catholic Quebec (either as an autonomous entity or as a neighboring sovereign state) but must also contend with the provincial rights demands of Alberta. Those fighting Canadian dissolution call for constitutional arrangements which they have labelled "cooperative federalism."

"Decentralisation" is the word in the France of President Mitterrand who, ironically, once supported an Algérie Française. Under the "Defferre Law", named after its author, Interior Minister Gaston Defferre, four centuries of central control over local affairs is, at this writing, coming to an end. Cardinal Richelieu ruled from Paris through his intendants and Napoleon through his *prefects*. But that is all past his-

tory. At the same time, Corsica has become a new styled région of France, with its own legislative assembly, consultative councils and cultural identity. And what can one now predict about separatist movements for Occitania, Alsace and Brittany.

"Devolution" is the word in the United Kingdom for the goal of the autonomy movements in Scotland and Wales.

"Corporate Federalism" is what Carl J. Friedrich [15] called the cyprus constitution of 1960, designed to reconcile the conflicting cultural and ethnic claims of Cypriot Greeks and Turks. To no avail. The Turkish forty per cent of the island is now known in Ankara as the Turkish Republic of Kibris whose leaders talk of separate sovereignty. Differences in race, religion, language and culture have also sparked the separatist movement in Sri Lanka. Eighty per cent of the population are Sinhalese-speaking Buddhist Aryans; twenty per cent are Tamil-speaking Hindu Dravidians. As in Cyprus, the two major ethnic groups largely occupy separate and distinct territorial regions, giving hope to demands for separate statehood. Belgium is barely weathering similar ethinic, religious, linguistic conflict; since 1971 it has been constitutionally two separate states.

Spain, which has recently granted considerable autonomy to its Basques and Catalans, is now facing separatist movements in the Balaeric and Canary Islands. Portugal is beset with autonomy issues in the Azores and Madeira Islands.

Article 13 of Iran's 1979 Constitution denominates "the Iranian Zoroastrians, Jews and Christians [as the] only recognized minorities, who, within the limits of the law, are free to perform their own religious rites, and who, in matters relating to their personal affairs and teachings, may act in accordance with their religious regulations." Article 64 reserves one parliamentary seat each to the Zorastrians and Jews, one to the Assyrian and Chaldean Christians together and two to the Armenian Christians. Nothing is said about the Kurds, who, in Iran as well as Iraq, Turkey and the Soviet Union are struggling for national, cultural identity, which many hope will lead to a separte Kurdistan.

Racial and religious differences continue to cause turmoil in Malaysia. The ethnic Chinese and Indians, who control the economy, and the Muslim Malay majority, who control the government, are in a constant constitutional struggle to delineate respective group rights. And libraries are overflowing with the literature on India's multi-racial, multi-tribal, multi-caste, multi-religious society and the constitutional conflicts which group differences have created.

But there can also be a proliferation of nations among homogeneous peoples who share the same racial and ethnic backgrounds, with the same cultural and linguistic heritage and the same church—and even the same geography. For example, note the longstanding separate nationhoods of Denmark, Iceland, Norway and Sweden, and, with some qualifications, add Finland to that group.

Also well-established are the six micro-states which were once part of the Spanish Empire, then part of Mexico and still later joined together as Guatemala. Now they are the independent nations of Belize, Costa Rica, El Salvador, Honduras, Guatemala and Nicaragua. The six, together with Panama (once part of Colombia), comprise tiny Central America. And the same point can be made about the proliferation of nations on the Arab peninsula.

The situation in the United States, which fought a bloody civil war in 1861-1865 to preserve its territorial integrity, provides different kinds of autonomy-group rights illustrations. For example, claimed rights denied by the Supreme Court under the U.S. Constitution have been secured under state constitutions.[16] And there are judicial decisions recognizing the group rights of Chinese-Americans (linguistic),[17] of Black Americans (educational)[18] and Native Americans (religious).[19]

And so on, and so on, and so on.

And the advent of the Reagan administration in 1981 ushered in the New Federalism: less centralized power and authority in Washington and more emphasis on states' rights.

Yes, there have been exceptions, but exceptions which prove the rule. Last of the great imperial empires, the Soviet Union (thanks to World War II, the Yalta Agreement and the Helsinki Accords) swallowed up the once independent nations of Estonia, Latvia and Lithuania and similarly integrated into the U.S.S.R. lands and peoples once part of Poland, Romania, Czechoslovakia, Hungary and Finland. And the Soviet armies are now engaged in the conquest of Afghanistan.

The future of the Soviet Union as a territorially intact imperium is doubtful. The ethnic russian proportion of the U.S.S.R. population has fallen to 52.4 percent.[20] More than 40 percent of all children born in the Soviet Union in 1980 were Muslim.[21] The heralded Solidarity movement against Soviet domination in Poland is matched by the quiet, deep-seated desire to achieve statehood and a realization of group rights not only in Estonia, Latvia and Lithuania but also in conquered Uzbekistan, Kazakhstan, Azerbaijan, Tadzhkistan, Turkmenistan, Kirghizia and Armenia.

As the Soviet Union is representative of the old colonialism so Indonesia is the principal practitioner of the new (neo-?) colonialism. Heirs to the far flung Dutch East Indies, the Java-dominated new nation of Indonesia integrated under its claim of sovereignty every island (and part of island) that it possibly could. Cultural, racial, religious, ethnic, linguistic differences and rights have been ignored. Sound reason why there are now such righteous freedom and national liberation movements striving for the independence of East Timor, the South Moluccas and West Irian and there is even a separatist movement in Sumatra.

Emulating the Soviet Union (their senior partner in an hegemonous relationship) Vietnam has now conquered both Cambodia and Laos, installing her own brand of puppet rulers (Quislings) to wield state authority. And there are such other exceptions as the recent proposals to unite the sovereign nations of Senegal and the Gambia to form Senegambia, plus the continuing efforts of Libya to unite with either Egypt or Tunisia or now, Syria.

Also against the tide are the state-clusters which sacrifice a limited amount of autonomy to a central authority (Pan-ism): the United Nations, the Council of Europe, the Organization of Petroleum Exporting Countries, etc.

So much for examples. The point is made. The trend is certain. This is not (with some exceptions) the era of . . . conquest, empire, imperialism, colonialism, neo-colonialism, occupation, Anchluss, integration, satellization, hegemony, protectorates, centralism.

IV. THE THINKING

Somewhere in that grand constitutional firmament in the skies is a constitutional Rubik's cube, replete with constitutional terminology describing the institutional arrangements ordering the living together (or separation of) disparate peoples. Twist and turn, position and orient. Put in their proper places those optima constitutional formulations which best protect and preserve the conflicting demands of the 892 ethnic groups[22] living within the borders of our 160-plus nation-states. The jargon generator has provided us with a plethora of terms to label the mini-cubes. Let's go to work.

Unlike the Rubik cube, there is no color coding here. We classify on different bases. We start with the rights—meaning group rights as opposed to individual rights. Here we have human rights and civil rights; state's rights; family, women's and children's rights; and racial, religious, tribal, caste, ethnic, cultural and linguistic rights. For "rights," we can substitute the words "liberties" or "freedoms."

The first distinction is between homogeneous states, where there are minimal group rights demands, and plural societies where there are many. Norway, Portugal and North Korea are representative of homogeneity; India, South Africa and Belgium are examples of pluralism. So much for two sides of our constitutional cube.

Distinction two is between what I have termed "compound states" and "amalgam states." Pakistan, Indonesia, Yugoslavia and Sri Lanka are classified as amalgam: they are made up of distinct national "different" groups, occupying distinct geographical areas. Compound states include the United States, Malaysia and Zimbabwe. Each has distinct racial, religious, ethnic, cultural groups—but they are spread out and physically integrated within the national boundaries.

There are pleas for autonomy, for home rule, for self-determination and for self rule in both the compound and the amalgam states. But they seek different legal solutions.

Autonomy is a constitutional term or art (a code or buzz word) for institutional arrangements granting a "degree" of freedom to a group to order its own affairs. It is a loose and flexible term which runs the gamut from independent statehood to the right of co-religionists to worship together. (At least this is how I define it.)

The autonomy demands in the amalgam states occupy another side of the cube. There the mini-cubes have such labels as: nationalism, independence, statehood, sovereignty, secession, separation, devolution, disunion, dissolution, Balkanization, liberation movement, homeland movement, separate development, states rights.

The autonomy demands in the compound states usually involve some form of federalism. The Handbook of Political Science provides this working definition:

"Federalism is a political organization in which the activities of government are divided between regional governments and a central government in such a way that each kind of government has some activities on which it makes final decisions." [23]

Which government makes which decisions? It all depends. The vocabulary which occupies the other side of the cube includes confederation, federation, corporate federalism (Cyprus), cooperative federalism

(Canada), the New Federalism and (the as yet undefined) creative federalism.

But this listing does not provide enough words to describe all of the institutional arrangements to protect and preserve group rights in a plural society. To fill one gap, Professor Arend Lijphart[24] invented the word "consociation". He uses this term to describe the constitutional structure of Belgium, Luxembourg, Switzerland and the Netherlands Antilles, among others. In order to achieve group rights in an amalgam nation, he advocates consociational democracy, which, he points out, deviates from the Westminster model of majority rule.

Consociational democracy, he explains, must be be defined in terms of four principles: grand coalition, mutual veto, proportionality and segmental autonomy.

Yet still another descriptive term is needed and Professor Jay A. Sigler and I have tried to fill that gap with the word "confiliation." Here is what we have said:

"Our interest in this growing emphasis—and legal manifestation—of group rights is reflected in our coining of a new constitutional word: confiliation. A confiliation is not a federal state or a confederation or a consociation of ethnic groups of relatively equal power (e.g. Belgium) or ethnic groups occupying separate distinctive territories (e.g. Yogoslavia). In a confiliation, each separate group (i.e. the filii or offspring) is afforded ethnic autonomy wherever it may be located within the state, with its own marriage and divorce laws, its own inheritance laws, its own schools, etc., with fealty to the central "father" whose authority is limited to such matters as foreign affairs, defense, and management of currency." [25]

There is a close relationship between confiliation and *Kulturgemeinschafte* (cultural communities). This concept underlay the proposed solution of Otto Bauer and Karl Renner to the minorities problem of the Austro-Hungarian Empire. Bauer-Renner recommendations were implemented in Estonia in 1925. And here is the description of confiliation in action by historian Evald Uustalu:

"On February 12th, 1925, the Law of Cultural Self-Government for the National Minorities came into force. It gave minority groups numbering not less than 3,000 autonomy in the cultural field. This implied the right of education in their own language at public and private schools, the organisation, administration and supervision of which was left entirely in their own hands. the minorities were free to run all sorts of institutions for the promotion of their own national culture, including theatres, libraries, clubs, and so forth. The practical exercise of these rights was entrusted to Cultural Councils, elected by the minority nationals comprising each registered group. These Councils had the power to collect certain rates from the minority groups within their purview, and to enact by-laws. The Councils were subsidised by the State and the local authorities. State assistance was extended also to all minority schools on a basis of equality with Estonian educational establishments."[26]

But which constitutional arrangements should be recommended for which group rights situations? That all depends—not only on the positions taken by group rights advocates and the nations of which these groups are part but also on the scope of negotiations over constitutional alternatives.

V. THE FINAL WORD

Tell me of the trials and tribulations of autonomous regions and microstates. Tell me that they are not economically viable. Tell me that they breed instability. Tell me that they invite imperialism. Tell me that they won't work.[27] For I might possibly believe you. But don't try to tell that to the Basques, the Corsicans, the Eritreans, the Kurds, the Christians of Lebanon, the Palestinians, the South Moluccans, the Tamils of Sir Lanka.

FOOTNOTES

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[1] This is an extract summary of a work-in progress by Professor Blaustein and Professor Jay A. Sigler of the Rutgers University Political Science Department, tentatively entitled *Constitutional Arrangements.*

[2] In Personal Adm'r of Massachusetts v. Feeney, 442 U.S. 256 (1979). Argument on February 26, 1979. *See* 37 U.S.L.W. 35 (March 6, 1979).

[3] M. O. Heisler, special editor, in *Ethnic Conflict in the World Today: An Introduction,* The Annals, Sept. 1977, at 3.

[4] *Id.* at 1.

[5] D. J. Grove, The Race vs. Ethnic Debate: A Cross-National Analysis of Two Theoretical Approaches, 4 (1974).

[6] R. E. Park, Race and Culture, 150 (1950).

[7] C. H. Enloe, Ethnic Conflict and Political Development 261-2 (1973). Elsewhere in her treatment, Ms. Enloe characterizes this developmental concept as "simplistic."

[8] Entered into force, March 23, 1976.

[9] *See* F. Capotorti, *Study of the Rights of Persons Belonging to Ethnic, Religious and Linguistic Minorities,* June 20, 1977, E/CN.4/Sub.2/384; A Cristescu, *The Historical and Current Development of the Right to Self-Determination on the Basis of the Charter of the United Nations and Other Instruments Adopted by United Nations Organs,* with *Particular Reference to the Promotion and Protection of Human Rights and Fundamental Freedoms,* July 3, 1978, E/CN.4/Sub.2/404; H. G. Espiell, *Implementation of United Nations Resolutions Relating to the Right of Peoples Under Colonial and Alien Domination to Self-Determination,* 1978 (seen by this author only in draft form).

[10] S. P. Sinha, *Has Self-Determination become a Principle of International Law Today?* 1974 I.J.I.L. 332, 361.

[11] For more details on colonial entities, consult A. P. Blaustein and E. B. Blaustein, Constitutions of Dependencies and Special Sovereignties, 6 vols., 1975—.

[12] *See* Convention on Rights and Duties of States, signed at Montevideo, December 26, 1933. 49 Stat. 3097, T.S. 881, 165 L.N.T.S. 19. "Art 1. The state as a person of international law should possess the following qualifications: (a) a permanent population; (b) a defined territory; (c) government; and (d) capacity to enter into relations with the other states." Does (d) imply the need to achieve recognition?

[13] *See* E. Hertslet, Map of Africa by Treaty, 1909. *See also* A. Allott, *Boundaries in Africa: A Legal and Historical Survey,* in A. K. Mensah-Brown, African International Legal History, 69-86 (1975).

[14] *See* S. S. Harrison, In Afghanistan's Shadow: Baluch Nationalism and Soviet Temptations (1981).

[15] C. J. Friedrich, *Corporate Federalism and Linguistic Politics,* paper presented at the Ninth World Congress of the International Political Science Association, Montreal, 1973.

[16] Serrano v. Priest, 557 P. 2d 929, 135 Cal. Rptr. 345 (1976).

[17] Lau v. Nichols, 414 U.S. 553 (1974).

[18] Regents of the University of California v. Bakke, 438 U.S. 265 (1978).

[19] People v. Woody, 61 Cal. 2d 716, 394 P. 2d 813, 40 Cal. Rptr. 69 (1964).

[20] *New York Times,* Feb. 10, 1980.

[21] Reported to the author by a Soviet demographer at the United Nations in New York.

[22] *See* G. P. Murdoch, Ethnographic Atlas (1967).

[23] W. H. Riker, *Federalsim,* in F. I. Greenstein and H. W. Polsby (eds.) Handbook of Political-Science, v. 5: Government Institutions and Processes, 101 (1975).

[24] A. Lijphart, Democracy in Plural Societies (1977).

[25] A. P. Blaustein, *The Growing Significance of Group Rights,* 24 Bull. of the Int'l Assn. of Jewish Lawyers and Jurists, 7, 8 (1980).

[26] E. Uustalu, The History of Estonian People, 220 (1952). I am indebted to Professor Lijphart for this reference.

[27] *See* United Nations Conference on Trade and Development, *Developing Island Countries,* 1974; E. Plischke, Microstates in World Affairs, Policy Problems and Options, 1977.

NATIONAL VOLUNTEER WEEK

Mr. THURMOND. Mr. President, I could not let this week pass without recognizing the thousands of Americans who, unselfishly and with great dedication, give of themselves every day in the form of volunteer work.

President Reagan, who campaigned on the premise of reigniting the flame of volunteerism in this country, has designated April 17 through April 23 as National Volunteer Week. I want to be counted among those who pay a high tribute to our volunteers, for in their actions, the true strength and greatness of America is revealed.

This Nation's history is replete with examples of men and women who selflessly gave of themselves in an effort to help others. In fact, America was built on the principles of volunteerism. Our forefathers, who blazed the trails of this country and built its great cities and industries, left for us a legacy of volunteerism which has spiritually enriched and blessed this Nation. In their deeds, we find an example which should be preserved and nurtured.

Under the leadership of President Reagan and others, there is a movement afoot in this land to encourage volunteerism—to put back in our lives the principles of private initiative which have been slowly eroded over the last several decades by intrusive government.

Private initiative built this country and made it the greatest Nation on Earth. By recognizing our volunteers, by thanking them for their unselfish dedication to others, we are encouraging others to aspire to serving their fellow man.

Mr. President, I want to extend my deep appreciation and abiding respect to all of our Nation's volunteers.

It is my sincere hope that this country will recommit itself to volunteerism, and that future generations will carry on in that most American of traditions.

I want to give special recognition to 20 Americans who, last week, received the President's Volunteer Action Award at a White House ceremony. In addition, numerous groups and organizations received citations at that ceremony for their volunteer efforts.

I ask unanimous consent that a copy of the program from that ceremony—which lists the individuals and groups honored by the President—be included in the RECORD at the conclusion of my remarks.

The program follows:

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

THE PRESIDENT'S VOLUNTEER ACTION AWARDS, 1983

THE HISPANIC WOMEN'S COUNCIL, INC., LOS ANGELES, CALIF.

Hispanics comprise approximately 30 percent of the population of Los Angeles County. The majority of the community are women, frequently undereducated, underemployed and economically deprived.

For ten years the Hispanic Women's Council (HWC) has been providing a variety of supportive services and developmental programs including professional training, peer counseling and informational workshops and seminars to Los Angeles area Hispanic women. HWC members represent all social, economic, educational and political backgrounds. The Council receives no government funding: all funds are from individual or corporate contributions or from fundraising events.

HWC's youth outreach program includes career days at junior and senior high schools designed to reinforce positive role models and to provide exposure to volunteer activities that demonstrate the relationship between education, the quality of life and self reliance. For women over 25, HWC's Scholarship Program offers the opportunity to complete their education. Since 1976 over $40,000 in scholarships has been awarded in the area of personal development. HWC provides activities aimed at developing leadership skills and in creating networks among working and professional women.

The Hispanic Women's Council also conducts an active program of public information and advocacy designed to raise the public's consciousness on women's issues and to create a more positive image of Hispanic women.

ELIZABETH O'DONNELL, CHICAGO, ILL.

The Illinois Visually handicapped Institute, a nationally accredited state rehabilitation program for the visually imparied, is the only residential facility of its kind in Illinois. The 40 to 50 residents who come from a wide range of economic and educational backgrounds have in common their loss of sight.

For the past two years, Elizabeth O'Donnell, the only volunteer at the facility who is a certified rehabilitation teacher/educator, has worked almost full-time at the center teaching braille and independent living skills. She also has handled several intensive cases, working with individuals with multiple physical disabilities and those suffering from emotional problems. At one point, when a braille instructor went on a three month disability leave, she taught 20 students who otherwise would have had a break in their instruction.

In addition to teaching, Ms. O'Donnell serves as a friend and companion and attends many of the group sessions with the residents. Visually impaired, a diabetic and an amputee, Ms. O'Donnell serves as an excellent role model for the blind residents at the Institute. Because she already has personal experience in what the residents are now learning to cope with, Elizabeth O'Donnell has a way of drawing them out and teaching them to lead full lives.

FRIENDS OF HANDICAPPED READERS, JACKSON, MISS.

The Mississippi Library Commission Service for the Handicapped has provided services to visually impaired readers since 1979. Recent budget restrictions have forced the library to limit services to those provided by the Library of Congress' National Library Service for the Blind and Physically Handicapped. Although this service offers some 1,600 titles each year, they are limited to general interest books and publications.

In 1979 a group of Jackson residents formed the Friends of Handicapped Readers as a way of expanding the talking book program. Within a year they had raised the funds to purchase a sound-proof booth, open-reel equipment and open-reel and cassette tapes on which to record the books.

Members of the Friends schedule recording sessions and serve as volunteer narrators and monitors recording the books. Other Friends reformat the tapes to produce cassette masters. In order to make all Mississippi residents aware of this service, the library developed a brochure and slide program and arrange newspaper articles and radio programs on the program.

Mississippi's Service for the Handicapped is one of over 150 regional and subregional libraries in the talking book program nationally. Friends of Handicapped Readers is only the second auxiliary to a state library program in the country.

LITTLE TOWN PLAYERS, INC., BEDFORD, VA.

In 1975 the residents of Bedford, Virginia, had no live theatre and few opportunities for local exposure to cultural activities. Now, seven years later, this town of 25,000 has a renovated theatre that has become the focal point for cultural activities in the community. Thanks to a group of Bedford residents who formed the Little Town Players. Bedford's cultural season and activities rival those of theatre groups on cities many times its size.

Little Town Players encourages people of all ages to become involved in the theatre—both as actors and in the production phase—but places a special emphasis on involving children and school-age young people. The theatre includes an apprentice program that gives high school students the opportunity to participate in all phases of theatre production workshops for area students and 4-H organizations. Saturday extended curricula programs developed with the local school system children's theatre and puppet shows and a musical instruction program. Little Town Players provides dramatic readings and musical programs for senior citizen groups and is the only theatre group in the area to provide college scholarships.

In 1982 a young, learning disabled student authored a play that was performed to a capacity audience in Bedford. It was later performed at Camp Virginia Easter Seal. That child is now writing a play especially designed to be performed by handicapped children.

THOMAS W. DIBBLEE, JR., SANTA BARBARA, CALIF.

At 72, Thomas Dibblee puts his interest in field geology to work as a volunteer mapper of California's complex geology. Since 1979 his work has resulted in the production of detailed geologic maps of the Los Padres National Forest, a project worth over half a million dollars.

Much of Mr. Dibblee's work benefits the United States Department of Agriculture Forest Service. Among his accomplishments are the mapping of 3.4 million acres, or 85 geologic quadrangles, a savings to the government of $350,000; assistance with the development of a geologic resource inventory for the Los Padres National Forest; and consultation in the location of water wells.

Mr. Dibblee also has performed valuable services for many other agencies and organizations. He has mapped the San Andreas Fault from Tejon Pass to San Francisco for the U.S Geological Survey; conducted field trips for Minerals Management Service; prepared reports covering the Santa Barbara coast to Point Conception and the Santa Ynez Valley watershed for California's Division of Mines and Geology; served as research associate and volunteer advisor to geology students at the University of California at Santa Barbara; and provided geologic maps of 800,000 acres of the San Jacinto Mountains for publication.

Mr. Dibblee's work has made possible the development of a Forest Land Management Plan for Los Padres National Forest; allowed for the development of bridges, water well and building locations; supported landslide control studies, mining claims and environmental assessments; provided background for dam safety, drainage and seismic hazard studies; and made possible university research.

ALCOHOLICS ANONYMOUS, NEW YORK, N.Y.

In 1935 two men who were regarded as incurable alcoholics by medical specialists began helping each other to overcome the disease. Learning as they went, they soon began helping others and in the process developed a concept of alcoholism, a unique method of treatment and a philosophy of recovery. Thus was Alcoholics Anonymous born. Today AA has over 40,000 local groups in North America. Since its founding, over 650,000 men and women who have participated have overcome their alcoholism.

A completely voluntary fellowship, AA provides a unique program of support, example and friendship for new members by recovering alcoholics. Members are urged to stay away from drink "one day at a time" rather than swearing off alcohol forever. AA members feel that by sharing their experience, strength and hope, they can pass these same qualities to those who need them most. All help is given anonymously, voluntarily, and selflessly.

AA is entirely supported by contributions from its members and does not solicit or accept outside funding. Except for a small administrative staff, there are no paid employees, professional advisors, appointed or elected officials. There also are no bylaws, rules or any other traditional organizational structure. Elective posts exist to serve, not to govern the fellowship. As the organization's name implies, all members are requested to retain anonymity with the media as a way of protecting the fellowship from the emergence of a single or small group of leaders.

INFANT HEARING ASSESSMENT FOUNDATION VOLUNTEERS, CONCORD, CALIF.

Each year over 120,000 infants are born with hearing impairments. Few of them however, are totally deaf. If discovered immediately, most conductive impairments can be corrected and most neural problems can be overcome with amplification. The cost, however, of providing equipment and staff for a testing program is prohibitive to many hospitals.

Over 2,000 volunteers with the Infant Hearing Assessment Foundation now provide that service in 35 hospitals across the country. Many more hospitals are in the process of developing the volunteer-staffed testing program.

Because commercial test equipment is very expensive, Foundation volunteers developed their own test set built with parts, services and funds contributed by over 20 American companies. Volunteers to operate the equipment and conduct the tests are re-

cruited from service clubs, parents organizations and the general public.

IHA volunteers develop a "risk register" on every birth in their hospital and those infants with risk of hearing problems receive a Brainstem Auditory Evoked Response Test within several days of birth. Those with problems are referred for diagnosis and appropriate therapeutic treatment. All babies are then followed for 12 months to assure normal speech and language development.

IHA volunteers screen over 54,000 infants each year and have identified over 1,000 infants with hearing impairments. Because the costs of the program are covered by funds raised by volunteers, the testing program is conducted at no cost to either the hospital or the parents.

FRANK FERREE, HARLINGEN, TEX.

Over 45 years ago Frank Ferree was so struck by the poverty in the area of southeast Texas around Harlingen, that he made a vow to spend the rest of his life helping other people. From that time until his death on March 11, 1983, Mr. Ferree spent six days each week carrying out that promise.

Harlingen is located near the Texas-Mexico border where many of the area's residents, especially on the Mexican side of the border, are extremely poor. Many of the people have substandard diets, live in shacks and have little or no access to medical and dental care.

Mr. Ferree first sold most of the 23 acres on which his small home was situated and gave the money to the poor. He begged food from markets, bread from bakeries, and meat scraps from restaurants. To help the people build temporary shelters he collected scrap wood and cardboard. Local clubs and churches collected clothing.

Not content with merely providing food and shelter, Mr. Ferree sought medicine and vitamins from pharmaceutical companies and found medical help for the sick. When he found a sick child, he approached American families and asked for financial help with the treatment.

Over the years, Frank Ferree's efforts grew into an organization known as Volunteer Border Relief and he came to be known as the Border Angel.

DR. JOSEPH NGUYEN-TRUNG HIEU, CHICAGO, ILL.

Dr. Joseph Nguyen-Trung Hieu, a teacher of high school social studies and an instructor at the National College of Education in Chicago, is also a volunteer who has helped almost 1,000 Indochinese refugees in Illinois to learn English, adapt to American culture, obtain an education and acquire employment over the past ten years.

In 1963 Dr. Hieu founded the International Association of Volunteers for Human Services and Leadership Training. Over 180 International Association volunteers have assigned nearly 1,000 refugees in the Chicago area to learn to help themselves. Other Association volunteers provide daily educational instruction to over 1,200 children in a Thai refugee camp.

Dr. Hieu has established five housing projects to provide room and board for 63 refugee students who left Southeast Asia without their parents and then spent evenings, weekends and holidays teaching these refugees to speak English. He has sponsored Vietnamese community festivals, organized a training program for Vietnamese elementary teachers in a refugee camp in Thailand, and developed a training program for former Vietnamese teachers who wanted to help Vietnamese students in American classrooms. In addition, he has sponsored cooperative efforts between American and refugee youth groups that he had organized, and has developed summer educational and recreational camps for Vietnamese refugees.

Dr. Hieu served a three-year term on the Asian American Advisory Council to the Governor of Illinois, a six-year term on the Illinois State Bilingual Advisory Council and is president of the Association of Cooperatives for Cultural, Educational and Social Services.

JEREMIAH MILBANK, GREENWICH, CONN.

Over the years, Jeremiah Milbank consistently has initiated and supported endeavors that develop individuals' strengths by bolstering their sense of self-worth and competence. His commitment is best demonstrated in his 25 years of involvement with the Boys Clubs of America (BCA), a national program that promotes health, social, educational, vocational and character development for more than one million disadvantaged young people, ages 6 to 18.

Mr. Milbank has served on the BCA national board since 1959 and as its president since 1981. He was instrumental in the development of BCA's "Blueprint for the '80s," a five-year plan to strengthen the organization's services to local clubs. In 1981, Mr. Milbank developed a summer jobs program for ex-offenders and other high risk youths in cooperation with ten New York City Boys Clubs.

Since 1972 he has served as president of the International Center for the Disabled, a comprehensive out-patient rehabilitation facility annually serving 3,500 individuals. He was instrumental in the expansion of ICD's programs and is the major force behind the dissemination of ICD's rehabilitation program to developing countries.

In 1961 Jeremiah Milbank helped found the Robert A. Taft Institute of Government to stimulate public participation in government and currently serves as the organization's treasurer. He also serves on the broad of the Institute for Educational Affairs, which cultivates research and education in all facets of American culture.

ESTHER R. SCHAEFFER, GREAT FALLS, VA.

Esther Schaeffer began Telecommunications for the Deaf, Inc. (TEDI) in her home as a special service to the large population of deaf people in the Washington, D.C. metropolitan area. Although modern technology allows deaf people to use a device known as a TTY—a typewriter and printer used in conjunction with the telephone—to communicate with others with access to a TTY, they must depend on an intermediary to place all other calls.

TEDI volunteers provide the direct access. A deaf person calls TEDI's number, types out the message and the TEDI volunteer places the call while the deaf person remains on the line. The TEDI volunteer then types the response or conducts the conversation. Because the volunteers are anonymous, it is much easier for the deaf person to carry on a personal conversation than it would be through a friend or neighbor. While there are other telephone services for the deaf, TEDI is the first one in the U.S. to provide an actual connection. Other services take the message from the TTY, hang up, place the call and then call the deaf person back with the response.

The system allows the deaf person to make doctor's appointments, handle emergencies or make personal calls. Except for long distance calls, which are charged to the caller's phone, all calls made through TEDI's 24-hour line are made without charge.

LUPE ANGUIANO, NEW YORK, N.Y.

In 1973, disturbed by the hopelessness of women trapped in the welfare system, Lupe Anguiano moved into a San Antonio housing project. During the next six months, she lived in six different housing projects and assisted 500 San Antonio women to leave the welfare rolls for jobs—all in the private sector.

Soon after she formed the National Women's Employment and Education Model Program (NWEE) and enlisted the assistance of the San Antonio Kiwanis Club in providing skills training for the women in the members' business and in providing scholarships to allow the women to obtain short term skills training at a local continuing education center. NWEE locates available jobs, then screens and places women suited for the specific positions and assists them with child care and transportation needs. The women are prepared for success in their training or jobs through a three-week employment/education readiness "Skill Discovery Method" program.

From 1973 to 1977 NWEE operated on strictly private-sector funds. By 1978 its success and common-sense approach to welfare reform led to funding assistance from the Department of Labor. That year, NWEE placed 205 out of 225 women assisted at a cost of $671 per participant. After one year 88 percent of those women placed were still working. The high rate of job retention is attributable to NWEE's follow-up support system, which provides counseling to allow the women to adjust to the world of work and to help them to continue to grow, develop and move on to better employment.

In 1981 the model program spread to Dallas and El Paso, Texas, Tempe, Arizona, and Ventura County, California, and in 1982, Ms. Anguiano assisted Denver, Colorado and Tacoma, Washington, to begin programs with all private sector funding.

OPERATION CALIFORNIA, BEVERLY HILLS, CALIF.

Operation California was founded because of the concern of two men for the Vietnamese Boat People they had never met but had only read about. In 1979 when Richard Walden and Llewellyn Werner began approaching U.S. corporations to solicit surplus commodities for distribution to the Boat People, no material aid of any kind—either public or private—had been allocated for these refugees.

In the next three-and-a-half years, over $17 million in material aid was delivered to Asia, Africa, Central America, Poland and Lebanon. Unencumbered by bureaucracy, the organization solves problems in its own unique way—by soliciting oil companies for contributions of jet fuel and then trading the fuel to cargo airlines for free transport of relief supplies. So that carriers could provide free passage for relief workers. Operation California petitioned the Civil Aeronautics Board to change its regulations.

In addition to being the first to aid the Boat People, Operation California has sent the first American aid to Vietnamese pediatric hospitals and orphanages; worked with the Catholic church to send the first material aid to Poland following the imposition of martial law; provided the first American assistance to Lebanon during the 1982 war; and was the first to provide help to Salvadoran refugees in Honduras. Operation California has also served as the intermediary with the United Nations, the U.S. Govern-

ment and Vietnam in developing the Orderly Departure Agreement allowing direct immigration from Vietnam to the U.S.

Operation California accepts no government funds and depends entirely on contributions of individuals and American companies. Except for a small paid staff of four, it relies on the energy and resourcefulness of its volunteers.

OREGON FOOD SHARE, PORTLAND, OREG.

In 1981, with 152,000 state residents unemployed, Oregon's 12.5 percent unemployment rate was one of the highest in the country. Because many of the workers had not been able to find work for some time, they had exhausted their unemployment benefits and virtually had no resources. At the same time, over 500 million pounds of edible food was going to waste each year in the state because of surpluses at harvest, losses during processing or mistakes in manufacturing.

Oregon Food Share, the first statewide foodbank in the country, was formed to bring together effectively all of the food resources in the state and distribute them to those most in need. Comprised of 323 independent nonprofit programs representing every county in the state, OFS distributed over one million pounds of contributed food and 800,000 pounds of U.S. Department of Agriculture surplus cheese to 225,000 Oregonians in 1982. Local programs distributed an additional million pounds of food.

Food contributions are solicited from food producers, farmers, the state's major food chains and through gleaning programs. Oregon corporations make cash contributions and provide free storage for the donated food. U.S. Army National Guard members in Oregon voluntarily transport food to rural areas where food distribution is conducted by citizen volunteers. Eight VISTA volunteers provide administrative support in the coordinating office.

AUDRIE MEGREGIAN, COCOA BEACH, FLA.

Since moving to the Cocoa Beach area several years ago, Audrie Megregian has been heavily involved in virtually every aspect of providing assistance to the victims of sexual assault. She has been active with Brevard County's Commission Against Sexual Assault (C.A.S.A.) since it was established five years ago.

A strong believer in the necessity of educating the public on the problems of sexual assault and in changing the public's attitudes toward assault victims, Mrs. Megregian has given over 8,500 talks in Brevard and Orlando counties to men's and women's organizations, colleges and high schools and local clubs. She has made presentations on the psychological trauma of rape to both sheriff and police department personnel and provides literature and information to legislators, lawyers, judges, police officers and medical professionals.

Recently named coordinator of C.A.S.A., Mr. Megregian is responsible for seeing that its 24-hour hotline is continually manned and frequently takes the responsibility herself. She has trained ten advocates as counselors to assault victims and conducts training sessions for these women. In addition, she is personally responsible for counseling with 70 to 90 cases annually, often volunteering over 50 hours of her time a week. In many of these cases, she follows the case through from the victim's first hotline call to spending long hours in the hospital emergency room to continuing follow-up counseling and attending court sessions as a friendly supporter.

In 1982 Audrie Megregian was a recipient of the Gannett Foundation Heart of Gold Award.

MOTHER AGAINST DRUNK DRIVERS, FAIR OAKS, CALIF.

Following the death of her twin daughter as the result of a hit and run accident by a previously convicted drunk driver, Candy Lightner organized Mothers Against Drunk Drivers (MADD) to seek reform of California's drunk driving laws. Since the formation of that first MADD chapter in 1980, the organization has grown to include 111 chapters in 36 states staffed by thousands of volunteers.

Today, MADD volunteers work to effect change in the criminal justice system, law enforcement, motor vehicle agencies and in prosecuting attorneys' handling of DUI cases. They also provide testimony on DUI legislation and monitor court cases to determine if prosecuting attorneys and judges strictly enforce drunk driving laws.

In addition to its advocacy activities, MADD has developed a community awareness and education program and a variety of services to victims of drunk driving accidents. Working to make drunk driving socially unacceptable, MADD chapters include speakers bureaus, student education programs and emphasize special events and media coverage.

In order to help the families and victims of drunk drivers, MADD volunteers assist with crisis intervention, counseling and bereavement group support, information and referral, and adjudication advocacy.

When MADD began in 1980, 26,000 people were killed by drunk drivers and another million were injured. In 1982, the traffic death toll had dropped by more than 5,000.

VOLUNTEER ILLINI PROJECTS, URBANA, ILL.

Volunteer Illini Projects was founded in 1963, as Illini House, a tutoring service for disadvantaged youth. Since that time, it has grown to be the largest and most diverse student-run volunteer organization in the country with over 900 university students involved annually in ten different projects. Although Volunteer Illini is guided by an Advisory Council comprised of university and community members, the VIP student board is responsible for finances, policy and programming.

VIP projects include Day Care, Senior Citizens, General Tutoring, Recreation, Whistlestop, Developmental Disabilities, Friendship, Mental Health, Prison Concern and Community Health, the blood collection program. Some of the activities, such as the prison and blood collection programs have a statewide impact. Because of the success of the blood program that collects over 7,000 units annually, VIP was instrumental in eliminating the necessity for a paid blood system in Illinois.

Each of the project areas involves a variety of activities designed to serve different communities and to meet a variety of needs. For example, the Wilbur Heights project provides recreational activities for children for whom there are no city parks. The neighborhood, a small unincorporated community of second and third generation Appalachian migrants, is situated outside the boundaries of the Champaign-Urbana park district. VIP volunteers created a park district for the children, bringing them to campus on a weekly basis for swimming, skating and other supervised fun. Without this program, the children would be left in an isolated community without the joy and excitement of recreational activities.

UNION RETIREES RESOURCES DIVISION, AFL-CIO KING COUNTY LABOR COUNCIL OF WASHINGTON LABOR AGENCY, SEATTLE, WASH.

King County, Washington, has almost 185,000 citizens over 60 years of age, many of whom are on fixed or low income. Retirees of the King County Labor Council provide a resource of skilled craftsmen to assist the low-income elderly with minor home repairs that they could not perform themselves and are not able to afford to hire a commercial repair service to complete.

The retirees make repairs to plumbing and electrical systems, install and repair major appliances, patch leaking roofs, repair and replace entry steps, replace broken window glass, caulk windows and doors, and install security locks. For the handicapped they install wheelchair and walking ramps. When the service needed is beyond the point of minor repairs and installations, the union volunteers offer consumer protection in the engagement of licensed and bonded contractors and then return to inspect the work.

In 1982 the retirees assisted over 2,000 clients. A number of community agencies provide the financial support to purchase supplies. Ninety-two percent of the clients are non-union and a frequent comment made by recipients of the service is "You mean a union man is coming to make the repair and it won't cost me anything?"

HONEYWELL, MINNEAPOLIS, MINN.

The Honeywell Corporate Program supports and encourages employees and retiree volunteers involvement in a variety of ways. Honeywell encourages employees to participate in community activities, both through Community Service Awards—once-in-a-lifetime grants to $500 to organizations with which employees are active volunteers—and through a released time policy. In addition, the company sponsors a number of activities to involve employees and retirees in community activities.

HELP, a community involvement team effort for small groups of employees such as departments, provides a mechanism to involve employees in a variety of activities. Fifteen hundred employees conducted the state's Special Olympics Family Day; 22 employees tutor English as a second language to refugees; other employees teach computer courses to inmates in prison and have assisted in creating a new science and technology magnet school.

Management Assistance Project (MAP) volunteers provide technical and management assistance to area nonprofit organizations. Honeywell's pilot co-operative MAP program begun with four companies has grown to include 18 area companies.

The Honeywell Retiree Volunteer Program is operated by retired employee volunteers who coordinate recruitment activities, organize and develop the programs, administer the office and train and place other retired volunteers. Since its beginning in 1979 with 90 volunteers, the program has grown to 565 volunteers who contributed approximately $1,130,000 worth of services to the community in 1982. Volunteers teach tool and dye making at an industrial institute; design and build special equipment for handicapped children and adults; teach classes in industrial engineering to foreign students; and assist older people in completing tax forms.

MAYOR'S TASK FORCE, FRITO-LAY, INC., DALLAS, TEX.

When Braniff International Airlines filed for bankruptcy in May 1982, the Dallas/Fort Worth area faced its greatest unemployment crisis in recent history. Over 5,000 workers were suddenly out of work in an already tight job market. The problem was exacerbated by the fact that most of the workers possessed only non-transferable airline-related skills, and many of them were demoralized after the long battle to save the airline.

In order to help the former Braniff employees find new employment, Frito-Lay, Inc. developed an employment assistance program that included information gathering and dissemination, education and public awareness components. The company established a communications center that was manned round the clock by 34 company volunteers. The center organized job opportunities on a day-to-day basis and fielded questions from the unemployed workers. Frito-Lay sent 5,500 letters to the unemployed Braniff employees and 51,000 questionnaires to potential employers. This information was tabulated and prospective employees were paired with employers.

The company sponsored a three-day job readiness seminar with sessions on resume writing, interviewing and job counseling and three Job Fairs that were open to all the Dallas, Fort Worth area unemployed. The fairs gave 8,700 individuals the opportunity to meet with representatives of over 200 companies. Throughout the program, the president of Frito-Lay and other company volunteers taped commercials, participated in news interviews and gave public presentations on the problem.

By October, with the number of applications dwindling approximately two each day, the operation was absorbed by the community's permanent unemployment service.

THE 1983 PRESIDENT'S VOLUNTEER ACTION AWARDS CITATIONISTS

Jim Acey, Norfolk, Va—a volunteer docent with Norfolk's Lafayette Zoological Park, developed a unique plaque system to allow visually impaired visitors to enjoy the park.

Addicts Rehabilitation Center Singers, New York, NY—is a group of musically talented residents of the Addicts Rehabilitation Center who perform in churches and for community groups to raise money to pay the mortgage on the Center's residence facility.

Corporate Lawyers' Legal Aid to the Elderly Program, Aetna Life & Casualty, Hartford, Ct—involves 21 attorneys from Aetna and four other companies in providing no-cost legal assistance to the elderly.

Aid Association for Lutherans, Appleton, Wi—which conducts volunteer activities through its 5,643 branches, sponsored over 68,000 projects in 1982, many of which were designed to strengthen families and improve personal health.

Allstate Insurance Company, Northbrook, Il—through its Helping Hands program, involves employees as volunteers in activities directed toward improving the health of the individual and developed arson prevention materials for use by employee volunteers, in local arson prevention programs.

Dale L. Alter, Chiloquin, Or—president of the Chiloquin Volunteer Ambulance Service, was responsible for developing a sound financial base for the organization and improving the Service's program in less than one year as president.

Alton-Wood River Area Union Leadership and Participating Unions, Alton, Il—involved over 1,800 union volunteers from 20 unions over a three-year period in building a 700-acre community park.

Amfac Hotel and Resort, Dallas/Fort Worth Airport, Tx—provides a wide variety of opportunities for all employees to become involved in community volunteer activities through the Amfac Community Action Teams (AMCATS).

Arlington Cable Access, Arlington, Ma—involves over 200 volunteers in all phases of the production of 20 hours weekly of locally produced programming.

Dr. William H. Armes, Jr., Rossville, Tn—developed the Poor People's Health Council, which provides health care and a nutrition program that serves daily hot meals to over 75 low-income elderly.

Atlantic Richfield Company's Joint Educational Project, Los Angeles, Ca—a resource-sharing partnership between ARCO and four public city schools, involves nearly 100 employee volunteers each semester.

Irene Auberlin, Detroit, Mi—founded World Medical Relief in 1953 as a way of making use of surplus medicines and has since sent over a quarter of a billion dollars worth of medicine and equipment all over the world.

Georgia Breiner, Hamilton, Oh—who first came to the YWCA Protective Shelter as a client, now serves as the Shelter's volunteer peer counselor, board member and chairperson of the advisory council

Center for Youth Services, Washington, DC—provides employment training courses, assertiveness training, special classes in GED preparation, reading and writing, courses in martial arts and family planning, and a recreational program.

Dorothy Chlad, Solon, Oh—developed the Safety Town program in 1964 to teach preschool children safety and continues to be involved with the program that now reaches over 200,000 children annually.

Colorado Springs School District 11 School Volunteer Services, Colorado Springs, Co—involves almost 3,000 volunteers who contribute over 600,000 hours of supportive services to the district's 50 schools.

Lois Anne Crist, Phoenix, Az—a member of the Phoenix Indian Medical Center Hospital Auxiliary, spearheaded the development of a financial support program for American Indians interested in careers in health fields.

Cross Creek Reading Council, Fayetteville, NC—an affiliate of the International Reading Association, involves active and retired teachers in providing telephone assistance with homework assignments to students in the Fayetteville school system.

Roberta DeVito, West Chester, Pa—founded the American Brittle Bones Society to provide information and support for families of babies born with osteogenesis imperfecta (OI) and now runs the organization out of her home.

Experience Unlimited Volunteers, Texarkana, Tx—conducts a part-time and temporary job placement service for older workers, placing them in jobs with local businesses, nonprofit organizations and individuals.

Joseph Fair, Kansas City, Mo—a retired professional opera singer, developed the Kansas City Opera Company, the only company in the area to produce opera in the language in which it was written.

Building Our American Communities, Future Farmers of America, Alexandria, Va—involves nearly 1,800 chapters of the FFA in projects developed and carried out by the members to improve the quality of life in small and rural communities.

Jane Falcone, Camp LeJeune, NC—has served since 1960 as a volunteer with the Navy Relief Society at nine military bases where her husband has been stationed.

The Reverend Bill Glass, Dallas, Tx—a former professional football player, involves other professional athletes in providing "total weekend" ministry and counseling to inmates of state prisons.

Ethel Gould, Carnation, Wa—a leader in the resettlement of 62 Hmong refugees in the community of only 950 residents, arranged classes for language tutors, located housing, taught homemaking skills, and assisted with the development of gardens.

Guardian Angels, New York, NY—a group of well-trained and disciplined young men and women, works in close cooperation with the New York Police Department as a citizen patrol for the city's subway system.

Clean Community Outreach, Hack Interiors, Rome, Ga—was sponsored by the small company as a way of improving and making the neighborhood safer through both community education and involvement programs.

Hagley Volunteer Machinists, Wilmington, De—are 13 retired professional businessmen who operate the 19th century Millwright Machine Shop on a daily basis, much as it would have operated over 100 years ago.

Junior League of Hampton Roads, Inc., Hampton, Va—sponsors an educational campaign on Fetal Alcohol Syndrome directed at youth, women and health care providers.

Herbert Hodge, Newport News, Va—a full-time employee of Newport News Shipbuilding, sponsors a variety of activities for the youth of the Greater Southeast community of Newport News, an area plagued with high drug availability and usage.

Hope Kimmel, Key Largo, Fl—developed an adult basic education program in Hibiscus Park, a black community in Key Largo, and continues to develop programs in special areas such as self defense, sewing, typing and nutrition.

Kotzebue Sound Search and Rescue Team, Kotzebue, Ak—involved 280 volunteers from the predominately Eskimo community in a 12 day rescue operation for the victims of an air crash in Kotzebue Sound.

Diane Kreiman, Dolton, Il—serves as volunteer executive director and training coordinator of the Child Abuse Prevention Speakers Bureau, whose 750 volunteers give over 6,000 programs and training sessions annually.

Kathy E. Levin, Baltimore, Md—developed "Magic Me," a program that trains and involves over 1,000 Baltimore area school children as visitors to 2,500 elderly residents of area nursing homes.

Levi Strauss & Co., San Francisco, Ca—sponsors Community Involvement Teams that provide volunteer opportunities for employees and last year contributed over $1.3 million to programs in which Teams were active.

Lions Clubs International, Oak Brook, Il—in 1981 launched a major worldwide drug education program, which stresses development of community-based programs and strong involvement of children and parents.

UAW Local 838 and P-46 Retirees, Waterloo, Ia—serve as the coordinators for the U.S. Department of Agriculture surplus food program, distributed 351,850 pounds of cheese and 175,680 pounds of butter in Black Hawk County.

Management Assistance Program, Minneapolis, Mn—a cooperative effort of 19 companies, involves 135 volunteers in providing

management assistance in a variety of areas to 110 area nonprofit agencies and organizations.

Martha's Table, Washington, DC—begun in 1982 to serve as a neighborhood children's nutrition center, has grown to include a reading room, tutoring service and an electronic reading program.

The Matthew Salem Camping Foundation, Lakewood, Oh—an independent, self-supporting nonprofit corporation, provides two weeks of camping experience each year for children suffering from chronic respiratory diseases.

Mr. and Mrs. Ben McClure, Blue Ridge, Ga—parents of six children, volunteer virtually full time with the Ninth District Opportunity Head Start Program, working with children and assisting faculty and staff.

Mary Ter Meer, Jackson, Mi—serves as fulltime volunteer coordinator for the Community Pantry, which served over 3,200 people in the last five months of 1982.

Mr. and Mrs. Evan Moir, Harrisburg, Sd—were involved in many community and humanitarian activities ranging from parenting 40 foster children to hosting refugee families prior to the death of Mrs. Moir in an accident in October 1982.

The Newton Community Schools, West Newton, Ma—involved over 400 volunteers in presenting more than 1,300 programs ranging from preschool play groups to after school computer education courses to more than 14,000 area students.

Ron Perez, San Francisco, Ca—is chairman of the Vietnam Veterans Project, which brings together various Vietnam and traditional veterans organizations in various activities including sponsoring a clearinghouse that includes counseling, job search and health information, and assistance with veterans claims.

Rape Emergency Assistance League, San Diego, Ca—is the only group in the area to function in all rape crisis support areas, ranging from counseling and educational programs to accompaniment of victims through court proceedings.

Save Cambodia, Inc., Arlington, Va—involves both community and VISTA volunteers in assisting refugees with job placement, language training, transportation and the location of medical and dental services.

Bernard Schapiro, Baltimore, Md—an 83 year-old retired businessman, founded People Incouraging People to provide retail store job experience for mentally ill in the process of deinstitutionalization.

School Volunteers at Isabella Geriatric Center, New York, Ny—are 20 residents of the Center who act as friends and grandparents and tutor third grade students from Public School 189 In Manhattan twice each week.

Self-Help, Inc., Los Alamos, Nm—provides assistance ranging from the use of an adobe-making machine for home building to free legal assistance to the low-income residents of the area.

Shell Oil Company, Houston, Tx—through the Shell Employees and Retirees Volunteerism Effort (SERVE), involves 941 company volunteers who are referred to community volunteer activities through a company-sponsored clearinghouse.

Springville City Community Progress, Springville, Ut—involves local residents in virtually every phase of the community's life ranging from a beautification committee to a volunteer ambulance service and fire department.

St. Mary's High School Volunteer Staff, St. Mary's, Ak—comprised of 20 men and women volunteers recruited from the lower 48, provide staff and instructional assistance at this school located in an isolated area 600 miles west of Anchorage.

Sally Struthers, Los Angeles, Ca—national chairperson of Christian Children's Fund since 1976, has been largely responsible for the growth of the organization, which raises over $60 million annually to support 325,000 of the world's poorest children.

Better Housing for Chester, Sun Company, Philadelphia, Pa—involves not only a $200,000 company grant to BHC to acquire, renovate and resell houses to low-income residents, but also provides counseling to the new home owners on their responsibilities.

Technical Volunteer Service, Naval Underwaters Systems Center, New London, Ct—involves 400 active and retired engineers and scientists who provide technical assistance to communities, nonprofit organizations and educational institutions.

Telephone Pioneers of America, New York, NY—the world's largest voluntary community service association with over 570,000 members in 88 chapters, sponsors a wide range of projects, many of which are aimed at helping the handicapped.

Elizabeth Cooper Terwilliger, Mill Valley, Ca—developed a unique method of teaching children about nature 35 years ago. Through volunteer instructors and films, nine million children have been exposed to the nature appreciation program

Ann Tingerthal, St. Paul, Mn—organized a Christmas collection for the poverty stricken residents of Ravenna, Ky, 14 years ago and has since sent them 86 tons of food and clothing.

Volunteer Research Assistants, Houston, Tx—have contributed over 46,000 hours to cancer research at M. D. Anderson Cancer Laboratories since the program began five years ago.

DR. HENRY F. SCHEIG PRESIDENT, APPLETON, WISCONSIN

Aid Association for Lutherans (AAL), the nation's largest fraternal benefit society, encourages employee community involvement activities through a released time policy as well as through several of its own programs. Lamplighters, for example, are former branch officers who coordinate a volunteer activities program for current branch officers. Through its nationwide network of 5800 branches, more than 1.3 million AAL members are provided opportunities and resources in their volunteer efforts to assist deserving causes. The Involvement Corps Team (ICT) was established in 1980 in conjunction with the Greater Milwaukee Voluntary Action Center to help direct employee volunteers toward agencies needing help. Annually, the ICT volunteers are recognized at a luncheon.

ROBERT O. ANDERSON, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, LOS ANGELES, CALIF.

Atlantic Richland Company (ARCO) began its support of employee volunteer involvment in 1974 when it instituted a written policy on released time that applied to all employees in all divisions. In 1978, ARCO initiated its Joint Educational Project (JEP) a released time tutorial/community development project, involving employees in Los Angeles, Dallas and Houston. ARCO's Volunteer Service Program (VSP) recruits and refers employees to non-profit community agencies in 10 cities across the country VSP encourages its employee volunteers to apply for foundation funding of their agency.

DAVID W. MITCHELL, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, NEW YORK, N.Y.

Avon encourages employees volunteer efforts through an annual volunteer recognition event at corporate headquarters. Employees whose volunteer activities are considered exceptional receive special awards for work in such areas as technical assistance, youth services, education and outstanding overall involvement. To encourage employee community involvement nationwide. Avon provides supplementary financial support grants ranging from $50 to $1,000 for specific projects of organizations where employees are active volunteers through its Employee Volunteer Support Program. Avon's employee volunteer program began in 1973 with employee envolvement in the Project LIVE tutoring program.

JEREMIAH MILBANK, PRESIDENT, NEW YORK, N.Y.

The J.M. Foundation has, for almost 60 years, fostered America's unique spirit of voluntarism and private initiatives. The Foundation's primary interests include: medical research, rehabilitation of the physically handicapped, and selected projects which strengthen those values essential to the preservation of a free society. In addition, other activities focus on close collaboration between private, voluntary organizations, meaningful life experiences for the disabled, disadvantaged youth, and the elderly, and humane cost effective alternatives to institutional medical services which incorporate the timeless ideals of home health care and family involvement with the best advances of modern technology.

RUSSELL G. MAWBY, PRESIDENT, BATTLE CREEK, MICH.

For more than three decades, the W.K. Kellogg Foundation has been providing support to volunteer programs designed to respond to the complex and sometimes overwhelming needs of people. Since 1971, nearly $19 million in foundation support has been invested in 48 projects directly related to volunteerism. Foundation programming is concentrated in helping the nation's service volunteers—individuals who seek to help others tackle the issues of health, social services, education and rehabilitation. For example, the Kellogg Foundation is currently providing assistance to VOLUNTEER to implement a program of community citizen volunteer involvement for physically disabled youth. Other Foundation-funded activities include efforts to strengthen staff and board members in board leadership through in-service and pre-service training programs and initiatives to improve national and regional coordination of voluntary agencies.

DAN GABY, PRESIDENT, SPRINGFIELD, N.J.

Volunteerism is a way of life at Keyes Martin, New Jersey's largest advertising and public relations firm. Employees from the board room to the mail room are involved in a myriad of community activities and charitable ventures. At Keys Martin, volunteerism does not stop with the employees. The agency, itself, as a volunteer service, has created and expedited programs for many New Jersey organizations including the National Society to Prevent Blindness, the Urban Coalition, the League of Women Voters, the New Jersey Department of Energy, the Archdiocese of Newark and others.

ROBERT V. VAN FOSSAN, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, NEWARK, N.J.

The Mutual Benefit Life Insurance Company's involvement in its home office cities of Newark, New Jersey and Kansas City, Missouri, includes both volunteer and contributions programs. The program includes matching individual employees with volunteer jobs, sponsoring community service projects involving employees as volunteers, providing released time employees and loaned executives to agencies, recognizing outstanding employee volunteer efforts through recognition programs, in-house publication, donating materials/learning facilities, encouraging executives to serve on boards of voluntary organizations, sponsoring volunteer fairs and establishing a local Corporate Volunteer Coordinators Council. Mutual Benefit Life also encourages its employees and agents to make personal charitable contributions and the company matches, dollar for dollar, gifts made by eligible employees and field personnel to colleges and universities and public broadcasting stations.

ROBERT V. KRIKORIAN, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, MILWAUKEE, WIS.

Rexnord, a manufacturer of industrial components and machinery, is a leader in encouraging business, government, media, and other institutions to work together in the public's best interest. Calling for increasing business support of communities and starting public dialogue on community problem solving, Rexnord initiated its Activate Someone programs in the 1970s to promote understanding, trust and cooperation among sectors of society. Just added to Activate Someone, is a how-to guide for individuals and organizations—especially businesses, to help them get started in volunteerism. The guide provides key steps in identifying community problems, determining which needs best suit the readers' talents and gaining cooperation from others, including employers. Other Activate Someone programs are: Media/Citizen Dialogue, Citizen Action, Teacher/Business and Media Exchange.

JAMES L. KETELSEN CHAIRMAN AND CHIEF EXECUTIVE OFFICER, HOUSTON, TEX.

In just five years, Tenneco's Volunteers in Assistance Program (VIA) has grown from a corps of 100 volunteers active in 20 agencies to over 1500 employees, retirees, and their families serving 55 organizations throughout Harris County. Administered by the Community Affairs Department, VIA matches employee interests with agency needs and supplements volunteer time and talents with corporate contributions like the Community Involvement Fund, established specifically for the support of projects undertaken by Tenneco volunteers. Unique aspects of VIA include a national formal agreement with the American Red Cross signed in 1980 for cooperative service projects and "adopted" agencies where volunteer efforts are concentrated to assist the Hispanic community, mentally retarded adults, and the elderly. In 1983, a quarterly newsletter and "volunteer of the month" program were introduced to further recognize the contributions of employees to their communities. Newport News Shipbuilding and Drydock Company in Virginia, for example, has developed an inhouse volunteer program which has 2000 active participants. VIA was presented the President's Volunteer Action Award in 1982.

THE BICENTENNIAL OF PEACE

Mr. MATHIAS. Mr. President, for the past 8 years this Nation has celebrated bicentennials commemorating various events of the Revolutionary War. Many of those observances commemorated battles and sieges of war. On Tuesday, I had the pleasure of participating in a bicentennial ceremony at the Pentagon of a different sort: It marked the 200th anniversary of the announcement of cessation of hostilities between Great Britain and the United States.

The Pentagon ceremony followed by a few hours the presentation to the Congress of a peal of bells by the Ditchley Foundation as a part of the British contribution to the bicentennial. The anniversary was, therefore, an international celebration of peace.

On April 19, 1783, near West Point, N.Y., Gen. George Washington's proclamation was read to his troops announcing an end to the fighting between the Continental Army and the troops of King George III. Issuing the proclamation was part of the process that culminated in the signing of the Treaty of Paris on September 3, 1783, and an official end to the American Revolution.

Secretary of the Army John O. Marsh was the host at Tuesday's ceremony which was attended by Members of Congress and members of the diplomatic corps. Secretary of Defense Caspar Weinberger was the guest speaker. The ceremony included a reenactment of the original ceremony and featured a reading by the Army Vice Chief of Staff, Gen. A. Wickham, Jr., of the Continental Congress proclamation. It also featured a demonstration of tactics and marching by troops of the Army and volunteers portraying Revolutionary War soldiers.

Mr. President, I ask unanimous consent that a summary, prepared by the Army, of the events leading to General Washington's proclamation be printed in the RECORD at this point.

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

THE END OF HOSTILITIES

At noon on April 19, 1783, a ceremony took place amid the huts of the Continental Army's camp at Newburgh, New York, according to orders issued by General Washington the previous day.

"The Commander-in-Chief orders the cessation of hostilities between the United States of America and the King of Great Britain to be publicly proclaimed tomorrow at twelve o'clock, at the New Building, and that the Proclamation, which will be communicated herewith, be read tomorrow evening at the head of every regiment and corps of the army. After which the chaplain with the several brigades will render thanks to Almighty God for all His mercies, particularly for His over-ruling the wrath of man to His own glory, and causing the rage of war to cease among nations.

"The Commander-in-Chief, far from endeavoring to stifle the feelings of joy in his bosom, offers his most cordial congratulations on the occasion to all the officers of every denomination; to all the troops of the United States in general, and, in particular, to those gallant and persevering men who had resolved to defend the rights of their invaded country so long as the war should continue. For these are the men who ought to be considered as the pride and boast of the American army; and who, crowned with well earned laurels, may soon withdraw from the field of glory to the more tranquil walks of civil life."

An officer stood before the doorway of the camp's "Public Building" and read a proclamation issued eight days earlier by the Continental Congress to the assembled Main Army. . . .

"It is our will and pleasure, that the cessation of hostilities between the United States of America and his Britannic Majesty, should be conformable to the epochs fixed between their Most Christian and Britannic Majesties:

"We have thought it fit to make known the same to the citizens of these states; and we hereby strictly charge and command all our officers, both by sea and land, and other subjects of these United States, to forbear all acts of hostility, either by sea or by land, against his Britannic Majesty or his subjects, from and after the respective times agreed upon between their Most Christian and Britannic Majesties, as aforesaid.

"And we do further require all governors and others, the executive powers of these United States respectively, to cause this our proclamation to be made public, to the end that the same be duly observed within their several jurisdictions.

"Done in Congress, at Philadelphia, this eleventh day of April, in the year of our Lord, one thousand seven hundred and eighty three, and of our sovereignty and independence the seventh. . ."

With these words, the fighting between Americans and the forces of King George II ceased. A chaplain then led the men in a short prayer of thanksgiving, the troops gave three "huzzas", and then returned to their huts to enjoy a victory toast authorized by George Washington.

Eight years earlier, to the exact day, warfare began on the village green in Lexington, Massachusetts. The militiamen who fought on that day were joined in succeeding months, by newly raised regular units of the Continental Army and together they formed a team which Washington and his subordinates led to triumph at Yorktown, Virginia, in October of 1781. That army consisted of Americans of British, Germany, French, Dutch, Irish, African, and Indian descent. They formed units representing the thirteen colonies, Canada, and the nation at large and were joined by European volunteers from France, Germany, the Netherlands, Poland, and Russia. After 1778, as the war expanded to a global conflict, soldiers and seamen from France, Spain, and the Netherlands, including units and individual volunteers from Ireland, Sweden, Italy, and Germany, served with the Americans on widely scattered fronts. Their efforts received official recognition in the series of treaties signed in Paris on September 3, 1783.

The proclamation of April 19th applied only to the armed forces of the United States; each nation issued its own orders to cease fire. On the other hand, Newburgh was a particularly appropriate location for

this event. Slightly more than a month earlier, Washington made what has been called his greatest contribution to the Revolution in that same "Public Building." By rebuking his officers for even raising the possibility of ignoring the instructions of their civilian superiors, Washington guaranteed that the Declaration of Independence's principles would be preserved to form the foundations for the Constitution. The army at Newburgh, moreover, was a tough, competent fighting force, a symbol of the strength which produced the eventual victory.

Mr. MATHIAS. Mr. President, the Department of Defense can take particular pride in the commemoration of this anniversary, for it marks the return to peace, the goal of every professional soldier. I would also like to thank Secretary Marsh for bringing this part of our history to the attention of this generation of Americans. This bicentennial highlights the achievements gained from teamwork among soldiers of different backgrounds, and shows how necessary allies are to secure common objectives.

ANOTHER SUCCESSFUL ESOP COMPANY

Mr. LONG. Mr. President, it was recently my great pleasure to visit with Mr. Warren Braun, president of ComSonics, Inc., a very successful company located in Harrisonburg, Va. In these severe economic times, it is encouraging to know that there are companies such as ComSonics, Inc., which are not only weathering the storm but actually prospering.

ComSonics was recently recognized by INC. magazine as one of the leading privately held companies in the United States with a 269-percent growth rate over the past 5 years. Mr. Braun attributes much of that success to the fact that ComSonics has an employee stock ownership plan (ESOP).

While more traditionally owned competitors are struggling to stay afloat, this ESOP company continues to surge ahead. Like many good managers, Mr. Braun recognized a number of years ago that his employees are his company's most important asset. Thus, in 1975, he established a plan to insure that his company become their company as well.

That farsighted approach has worked to the benefit of everyone. The employees now share in the success that they helped to create; Mr. Braun's own stock has grown in value; and the Federal Government is ahead as well, as ComSonics' growth has meant not only more jobs but more tax revenue as well.

Mr. President, it is gratifying to find that the ESOP legislation that I have sponsored over the past several years is being utilized and is enjoying such great success. I am convinced that widespread employee stock ownership can make a substantial contribution to reviving America's productive might.

Mr. President, I ask unanimous consent that a company profile of ComSonics, Inc. be inserted in the RECORD at this point.

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

COMPANY PROFILE

ComSonics, Inc. is winning the battle against recession, depressed earnings and the general economic downturn suffered by most businesses, even with continued high investment in research and development. The Corporation's impressive growth record was recently recognized by INC. Magazine citing it as one of the top U.S. privately held corporations with a 269 percent growth over the past five years. Even at present, the Corporation continues to grow at a substantial rate mirroring the substantive base to its growth history.

Commenting on the INC. Magazine's recognition as the 457th growth corporation out of over 11,000 U.S. privately held corporations, President Braun said, "It's our employees—and ESOP." "Great people with a meaningful incentive make for a great company."

This all started in 1970 when Warren Braun, a consulting engineer in the cable television industry, saw the need for an independent research and development firm that would provide a wide variety of technical services for CATV systems. The idea took shape as ComSonics in 1972, as Braun, a group of young engineers, and Braun's wife, Dickie, working out of the Braun's basement as a consulting firm launched the new venture. Now eleven years later, with approximately 89 employees, the Brauns are seeing another idea come to fruition, namely the transformation of ComSonics into an employee-owned corporation.

Braun, who serves as president and general manager, believes it's the only fair thing to do. "What better way can appreciation be expressed to those who helped found a company and contributed to its success than to make those employee company owners?" he asked. In 1975, Braun established a trust with 25,000 shares of newly issued common stock which were bought with funding provided by the corporation. The next year an additional 72,000 shares were bought from funds borrowed by a local bank. The 96,000 shares are allocated to ComSonics' employees, making the firm wholly employee-owned.

The purpose of the ComSonics employee stock ownership plan (ESOP) is to assist the employee to accumulate stock ownership in the firm, thus providing the employee and the employee's family with further economic security. Stated Braun, "It has always been my firm belief that employees contribute to the growth of a company as much as capital, and employees should therefore participate in that growth. The major problem with that idea was how could employees participate without confronting an immediate tax liability. The solution was the ESOP. All employees will only pay taxes on accumulated capital when it is withdrawn from the trust as a stock certificate, when the employee retires, dies, or leave the company.

The key to the transfer of ownership depends upon the growth of the company. At the end of each fiscal year (July 31) ComSonics' Board decides how much additional money can be put into trust for stock purchase in the ESOP with the ultimate objective to purchase all of the remaining stock of the corporation currently owned by the principal employee stockholder, Braun, for the remainder of the employees. Eligible employees are those who are 24 years of age and have completed at least 1,000 hours of service during the first 12 months of employment. The yearly portion is determined by how much ComSonics contributes to the trust. ComSonics's contribution to the trust is derived by the corporation's earnings. In turn, the ComSonics' contribution to the trust is divided by the new per-share-stock value. These shares are then set aside for the eligible ComSonics employees. An employee's portion is based upon the percent of compensation in relation to the total eligible payroll.

Knowing what's at stake, ComSonics' employees are more conscientious of their work. "They act more like stockholders than employees," said Braun, "which is what they are." The Brauns are extremely proud of their employees. "We've collectively had our shoulders to the wheel from the time we started this company to make it what it is today."

Today, most of those "boys from the basement" are still with ComSonics. They head the four profit centers of the company: Dennis Zimmerman, Vice President, Systems Services; Carl Hensley, Vice President, Internal Operations; Richard Shimp, Vice President, Research and Corporate Development; and Glen Shomo, Vice President, Product Production and Development. Mrs. Braun serves as corporate secretary/treasurer and remains active in the firm's day to day activity. The ESOP idea was prompted in part by their loyalty and dedication to ComSonics. "People who work so long and hard as these men did to help start this company deserve something of importance in return," stated Braun. "Other stock bonus plans tend to have near term tax consequences, and are usually heavily weighed for upper income personnel. ESPOs benefit every worker."

During this short life, ComSonics has generated an impressive list of new and unique ideas represented by several U.S. and foreign patents.

Hensley, Zimmerman, and Shimp rank highest on the seniority list, but they have also set a trend. The employee turnover at ComSonics for full-time workers is only around three percent per year.

ComSonics is managed by advance management-by-objective (MBO) techniques. It is run by the department heads who are guided by objectives they set each year. The company has a management consultant John Dickie who also provides extensive in-house training programs. Any employee who wants further training and education in his job area can pursue it at the company's expense. For grades of an A or B, the company will pay 100 percent of the expenses.

One aspect of the management system is the annual company performance objective. This involves another form of profit-sharing, apart from the ESOP. Braun explained that each year a dollar amount is projected for the company's performance. If the performance objective is met, 50 percent of the profit earned over the objective is distributed directly to all employees in cash. The other 50 percent goes into advancing the corporate expansion. This year the fiscal corporate growth is 33 percent to date, exemplifying continued compound growth.

The newest and most recent company incentive is the Employee of the Year award. This award was devised and proposed by the second-level management personnel without

any input from the department heads. The supervisors established the award for the employees under their supervision which activity is restricted to employees outside of the management team. The employee who earns this award receives an all expense paid trip for two to the National Cable Television Association's annual conventions.

Incentives change each year at ComSonics, as they do at other corporations, to keep employees interested and motivated. But, as one ComSonics' employee put it, as far as he was concerned, "the biggest incentive of all is simply the fact that I'm an owner."

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.)

PROPOSED DEFERRAL OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT—PM 38

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

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report four new deferrals of budget authority totaling $31,441,000 and one revision to a previously reported deferral, increasing the amount deferred by $6,000,000.

The deferrals affect the Department of Commerce and the Department of Energy.

The details of each deferral are contained in the attached reports.

RONALD REAGAN.

THE WHITE HOUSE, *April 21, 1983.*

ANNUAL REPORT OF THE ADMINISTRATION ON AGING—MESSAGE FROM THE PRESIDENT—PM 39

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 207 of the Older Americans Act, as amended (42 U.S.C. 3018), I transmit herewith the Annual Report for Fiscal Year 1982 of the Administration on Aging of the Department of Health and Human Services. The Annual Report includes information on long-term care, as required under Section 423, and evaluation as required under Section 206.

RONALD REAGAN.

THE WHITE HOUSE, *April 21, 1983.*

MESSAGES FROM THE HOUSE

At 12:11 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1723. An act to authorize appropriations through fiscal year 1986 for the Great Dismal Swamp, Minnesota Valley, and San Francisco Bay National Wildlife Refuges; and

H.R. 1935. An act to ratify an exchange agreement concerning National Wildlife Refuge System lands located on Matagorda Island in Texas.

The message also announced that the House has agreed to the following concurrent resolution; in which it requests the concurrence of the Senate:

H. Con. Res. 45. Concurrent resolution expressing the sense of the Congress that a uniform State act should be developed and adopted which provides grandparents with adequate rights to petition State courts for privileges to visit their grandchildren following the dissolution (because of divorce, separation, or death) of the marriage of such grandchildren's parents, and for other purposes.

At 1:58 p.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that the House has passed the following joint resolutions, in which it requests the concurrence of the Senate:

H.J. Res. 159. Joint resolution to make technical corrections in the Act of January 12, 1983 (Public Law 97-459); and

H.J. Res. 245. Joint resolution to correct Public Law 98-8 due to errors in the enrollment of H.R. 1718.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 114. Concurrent resolution providing for a joint session of the two Houses on Wednesday, April 27, 1983, to receive a message from the President of the United States.

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the following enrolled bill:

S. 304. An act to hold a parcel of land in trust for the Burns Paiute Tribe.

The enrolled bill was subsequently signed by the President pro tempore (Mr. THURMOND).

HOUSE BILLS REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 1723. An act to authorize appropriations through fiscal year 1986 for the Great Dismal Swamp, Minnesota Valley, and San Francisco Bay National Wildlife Refuges; to the Committee on Environment and Public Works.

H.R. 1935. An act to ratify an exchange agreement concerning National Wildlife Refuge System lands located on Matagorda Island in Texas; to the Committee on Environment and Public Works.

H.J. Res. 158. Joint resolution to make technical corrections in the Act of January 12, 1983 (Public Law 97-459); to the Select Committee on Indian Affairs.

HOUSE CONCURRENT RESOLUTION REFERRED

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 45. Concurrent resolution expressing the sense of the Congress that a uniform State act should be developed and adopted which provides grandparents with adequate rights to petition State courts for privileges to visit their grandchildren following the dissolution (because of divorce, separation, or death) of the marriage of such grandchildren's parents, and for other purposes; to the Committee on the Judiciary.

ENROLLED BILL PRESENTED

The Secretary reported that on today, April 21, 1983, he had presented to the President of the United States the following enrolled bill:

S. 304. An act to hold a parcel of land in trust for the Burns Paiute Tribe.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-899. A communication from the Secretary of the Interior transmitting, pursuant to law, a report certifying that an adequate soil survey and land classification has been made relative to certain lands for inclusion in the Central Arizona Project; to the Committee on Appropriations.

EC-900. A communication from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to place the Chairman of the Joint Chiefs of Staff in the national military chain of command, and to remove limitations on the Joint Staff of the Joint Chiefs of Staff; to the Committee on Armed Services.

EC-901. A communication from the Secretary of Commerce transmitting, pursuant to law, his recommendations on the 11th

Annual Report of the National Advisory Committee on Oceans and Atmosphere; to the Committee on Commerce, Science, and Transportation.

EC-902. A communication from the Chairman of the Interstate Commerce Commission transmitting, pursuant to law, the 96th annual report of the Commission; to the Committee on Commerce, Science, and Transportation.

EC-903. A communication from the Acting Secretary of the Treasury transmitting a draft of proposed legislation entitled "Local Government Fiscal Assistance Amendments of 1983"; to the Committee on Finance.

EC-904. A communication from the Assistant Secretary of State for Congressional Relations and the Assistant Secretary of the Treasury for Legislative Affairs transmitting, pursuant to law, their 5th Annual Report on Human Rights; to the Committee on Foreign Relations.

EC-905. A communication from the Assistant Secretary of State for Congressional Relations transmitting a draft of proposed legislation amending the Arms Export Control Act; to the Committee on Foreign Relations.

EC-906. A communication from the Director of the Office of Legislative Affairs, AID, transmitting notification of a delay in the transmittal of a report on policy, strategy, and priority reassessments within AID; to the Committee on Foreign Relations.

EC-907. A communication from the Assistant Secretary of State for Congressional Relations transmitting a draft of proposed legislation to amend the Foreign Service Act of 1980; to the Committee on Foreign Relations.

EC-908. A communication from the Office of the Special Counsel, U.S. Merit Systems Protection Board, transmitting, pursuant to law, a report on allegations of violation of law and regulation, mismanagement, gross waste of funds, and abuse of authority at the Muskogee, Okla., District Office, Bureau of the Census; to the Committee on Government Affairs.

EC-909. A communication from the Director of the Peace Corps transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-86. A resolution adopted by the Council of the County of Maui, Hawaii, supporting Senator Spark Matsunaga for opposing a Senate amendment to the farm bill to reduce the Federal price support program for domestic sugar; to the Committee on Agriculture, Nutrition, and Forestry.

POM-87. A resolution adopted by the Legislature of the State of Minnesota; to the Committee on Agriculture, Nutrition, and Forestry:

"RESOLUTION

"Whereas, the Congress has authorized the Secretary of Agriculture to deduct 50 cents per hundredweight from payments to milk producers; and

"Whereas, this deduction is costing Minnesota dairy farmers $50,000,000 per year at the present level; and

"Whereas, the cost to Minnesota milk producers will rise to $100,000,000 per year or $4,000 per dairy farm if the assessment is doubled in April; and

"Whereas, the deduction is increasing the level of milk production rather than causing a reduction in output as was intended; Now, therefore,

"Be it resolved by the legislature of the State of Minnesota, that Congress should speedily enact legislation to repeal the deduction and create a fair dairy program that serves the needs of farmers and consumers alike.

"Be it further resolved that the Secretary of State of the State of Minnesota is instructed to transmit certified copies of this resolution to the President of the United States, the President and Secretary of the Senate of the United States, the Speaker and Chief Clerk of the House of Representatives of the United States and to Minnesota's Senators and Representatives in Congress."

POM-88. A concurrent resolution adopted by the Legislature of the State of South Carolina; to the Committee on Agriculture, Nutrition, and Forestry:

"A CONCURRENT RESOLUTION

"Whereas, H.R. 6955 recently passed by Congress and signed by the President permits a fifty cents assessment per one hundred weight on all milk produced by the nation's dairy farmers when the Commodity Credit Corporation (CCC) net purchases exceed certain weight limitations; and

"Whereas, an additional fifty cents per one hundred weight assessment is scheduled to go into effect April 1, 1983; and

"Whereas, despite restraining orders by the Federal courts, Secretary John Block of the United States Department of Agriculture seems determined to implement the assessment which would have a catastrophic effect on the dairy industry in South Carolina and the southeast; and

"Whereas, milk produced in South Carolina is consumed in fluid markets which does not add to the CCC purchases and causes no additional expense to the nation's taxpayers; and

"Whereas, the assessment is grossly unfair to the dairy farmers of the State by forcing them to share in the cost in removing the milk surplus not caused by them but caused by dairy farmers in other sections of the United States; and

"Whereas, South Carolina has geared its production to sales and its dairymen are not producing more milk than the State can use, thereby not creating an oversupply of milk to require CCC purchases of the surplus; and

"Whereas, the imposition of the assessments is not the remedy to the dairy farmers problem, the only effective way to handle the problem of excessive purchases by CCC being to reduce the support price by putting pressure directly on the source of milk; and

"Whereas, the members of the Congress of the United States should be apprised of the devastating effect which the assessments on milk would have on the individual farmers and the dairy industry as a whole so that it may take necessary action to prohibit the imposition of the assessments. Now, therefore,

"Be it resolved by the Senate, the House of Representatives concurring:

"That the Congress of the United States is memorialized to take immediate action to prohibit the assessments on all milk produced by the nation's dairy farmers so as to prevent the devastating effect which these assessments would create on the dairy industry.

"Be it further resolved that copies of this Resolution be forwarded to each member of the Congress of the United States representing South Carolina."

POM-89. A joint resolution adopted by the General Assembly of the Commonwealth of Virginia; to the Commitee on Armed Services:

"HOUSE JOINT RESOLUTION No. 22

"Whereas, significant portions of land within the Commonwealth are owned, leased, and controlled by the United States Government; and

"Whereas, this land cannot be taxed by the Commonwealth or by local governmental units; and

"Whereas, the activities on this land generate the need for state and federal mandated services; and

"Whereas, for the past thirty years the federal government has compensated local school districts for educational services provided to children of parents who work on federal land; and

"Whereas, the timely and equitable payment for educational services is necessary if those services are to be provided without charging tuition; and

"Whereas, reauthorization of Public Law 874 will be considered in the current session of the Congress; now, therefore be it

"Resolved by the House of Delegates, the Senate concurring, That the General Assembly hereby requests the Congress of the United States to reauthorize the Impact Aid law, to include fully funding 'A' category pupils; fully funding only military 'B' pupils who line in-county or city at 50 percent of the rate for 'A' pupils; fully funding Section 3(d)2(B), which compensates districts with fifty percent or more federally connected pupils; and fully funding Section 2, which provides assistance to school divisions with large amounts of federal tax exempt property."

POM-90. A joint resolution adopted by the General Assembly of the Commonwealth of Virginia; to the Committee on Armed Services:

HOUSE JOINT RESOLUTION No. 11

"Whereas, the Town of Quantico, Virginia, is uniquely isolated in that the town is completely surrounded by the Potomac River and the United States Marine Corps Development and Education Command at Quantico; and

"Whereas, Fuller Road, which runs through the Marine Corps base, provides the only means of egress and ingress to the town; and

"Whereas, a number of complaints have been voiced regarding the apparently unnecessary hindrance of the right of persons to the use of Fuller Road due to the current location of the marine guard checkpoint on Fuller Road; and

"Whereas, persons seeking egress and ingress to the town desire more convenient access to the town free from unreasonable restrictions and restraints; and

"Whereas, the obligation of the U.S. Marine Crops to ensure the security of the military installation is recognized; and

"Whereas, efforts by representatives of the Town of Quantico and the Joint Subcommittee, of the General Assembly of Virginia Studying the Legal Status of Fuller Road (Quantico, Virginia) to find a statisfactory solution to the problem of providing

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a secure Marine Corps installation at Quantico while affording users of Fuller Road the right to reasonably unrestrained access to the Town of Quantico have failed; and

"Whereas, the United States Government contends that it has exclusive jurisdiction over Fuller Road by virtue of Federal Proclamation No. 1493 (1918) and Chapter 382 of the 1918 Acts of Assembly; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That in recognition of the unique situation of the Town of Quantico and in the continued spirit of cooperation between the Commonwealth and the United States Government, the Congress of the United States is hereby memorialized to work toward a proper balance between the obligation to provide a secure military installation at the U.S. Marine Corps base at Quantico, Virginia, and the right of all persons to a free and covenient means of egress and ingress to the Town of Quantico; and be it

"Resolved further, That the Clerk of the House of Delegates transmit copies of this resolution to: the Speaker of the House of Representatives; the President of the United States Senate; the Virginia delegation to the Congress of the United States; the Secretary of United States Navy; B. A. Truesdale, Chief of Staff, United States Marine Corps Development and Education Command at Quantico, Virginia; and the Honorable Lively C. Able, Mayor of the Town of Quantico, Virginia, in order that they may be apprised of the sense of the General Assembly."

POM-91. A resolution adopted by the Legislature for the Territory of Guam; to the Committee on Armed Services:

"RESOLUTION No. 90

"Whereas, the Legislature of Guam recently learned of the elimination of Class "B" students in the reimbursement of per pupil expenditures under P.L. 81-874, otherwise known as Impact Aid; and

"Whereas, the Guam Public School District has been dependent on the infusion of stable funding sources, such as the Impact Aid funds to maintain its programs at an acceptable American School District standard; and

"Whereas, the discontinuance of such funding shall have a significant impact on the funding level of the Guam Public School System and the Government of Guam; and

"Whereas, a survey of the 1982-1983 school year shows there are nearly 6,000 Class B students or an entitlement of nearly $400,000; and

"Whereas, this figure represents more than 23 per cent of the total enrollment of the Guam Public School System, making it among the highest, if not the highest, number of military connected children of any American community, per capita; and

"Whereas, the military commanders are rightfully expecting a nationally accepted standard of education for their dependent children; and

"Whereas, the Territorial Government of Guam would be hard pressed to provide that expected standard of education without continuation of the Impact Aid program; now, therefore, be it

"Resolved, that the Seventeenth Guam Legislature does hereby request that the Congress of the United States continue funding reimbursement of Class B. children under Public Law 81-874 Impact Aid for Military Connected Children; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Honorable Strom Thurmond, President Pro Tem of the United States Senate; to the Honorable Carl D. Perkins, Chairman of the House Committee on Education and Labor; to the Honorable William Goodling, U.S. House of Representatives; to the Honorable Antonio B. Won Pat, Chairman, Subcommittee on Armed Forces; to the Honorable Caspar Weinberger, Secretary of Defense; to the Honorable T. H. Bell, Secretary of Education; to the Commander, Naval Forces Marianas, to the Commander, Third Air Division; to the Director, Department of Education; and to the Governor of Guam."

POM-92. A resolution adopted by the General Assembly of the Commonwealth of Virginia; to the Committee on Banking, Housing, and Urban Affairs:

"HOUSE JOINT RESOLUTION No. 38

"Whereas, the Federal Reserve System is charged with the management of the nation's money supply; and

"Whereas, the Federal Reserve System directly affects interest rates to member banks; and

"Whereas, the Federal Reserve System exerts considerable influence on the economy of the United States and the world; and

"Whereas, the Federal Reserve Board and member banks, the Federal Advisory Council and the Federal Open Market Committee have incurred annual operating expenses exceeding 920 million dollars; and

"Whereas, the Federal Reserve System has never been completely audited by any agency; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the General Assembly of Virginia does hereby urge the enactment of legislation by Congress which mandates a complete annual audit of all of the activities of the Federal Reserve System by the General Accounting Office; and, be it

"Resolved further, That the Clerk of the House of Delegates send copies of this resolution to the Speaker of the House of Representatives, the President of the United States Senate, and to all members of the Virginia Congressional Delegation in order that they may be apprised of the sense of this body."

POM-93. A resolution adopted by the City Council of the City of Irving, Tex. opposing U.S. Senate bill S. 66, known as the Cable Telecommunications Act of 1983; to the Committee on Commerce, Science, and Transportation.

POM-94. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Energy and Natural Resources.

"RESOLUTION No. 54

"Whereas, Guam has been operating under a 'mirror' tax system as provided by Section 31 of the Organic Act of Guam; and

"Whereas, Resolution No. 170 of the Sixteenth Guam Legislature, dated October 26, 1981, requested that Guam be allowed to adopt its own income tax incentives for investors and businessmen; and

"Whereas, the Guam businessmen's conference in Washington, last year expressed similar desires; and

"Whereas, on January 18, 1983, Pedro A. Sanjuan of the Department of Interior sent an outline of two proposed alternatives; and

"Whereas, initial comments on the proposals have a deadline of February 15, 1983; and

"Whereas, these proposals are of critical importance to the future of Guam and the people of Guam should be consulted; and

"Whereas, such a proposal requires extensive research and study as to its implications; and

"Whereas, the Legislature was not requested to comment on the proposed alternatives; and

"Whereas, Section 11 of the Organic Act of Guam, as amended, conferred to the Legislature of Guam power over taxation; thus, it feels that there is urgency in submitting appropriate comments; and

"Whereas, insufficient time has been provided to prepare an informed position on the proposed tax alternatives; now, therefore, be it

"Resolved, that the Seventeenth Guam Legislature requests the Secretary of the Department of Interior to extend the deadline on the initial comments to the tax proposals until a proper and extensive review of the proposals is completed; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Secretary of the Department of Interior; to the President of the United States Senate; to the Speaker of the House of Representatives; to the President of the United States; to Guam's Washington Representative, U.S. House of Representatives; to the President, Guam Chamber of Commerce; to the Chairman, Guam Bar Association; and to the Governor of Guam."

POM-95. A joint resolution adopted by the Legislature of the State of California; to the Committee on Environment and Public Works:

"ASSEMBLY JOINT RESOLUTION No. 15

"Whereas, The Environmental Protection Agency (E.P.A.) delayed 18 months in publishing the list of hazardous waste sites eligible for cleanup moneys under the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601, et seq., 'Superfund'), and has only cleaned up five sites under the act; and

"Whereas, The E.P.A. has failed to protect the citizens of the United States from the dangers of abandoned hazardous waste sites; and

"Whereas, California has been a leader among the states in its efforts to join with the federal government in cleaning up hazardous waste sites, through the Carpenter-Presley-Tanner Hazardous Substance Account Act (Chapter 6.8 (commencing with Section 25300) of Division 20 of the Health and Safety Code, 'California State Superfund'); and

"Whereas, California has yet to receive any federal Superfund moneys for the cleanup of the three hazardous waste sites which have already been designated by E.P.A. as 'highest priority,' and E.P.A. has also failed to include 12 additional California sites on the eligibility list which were strongly recommended for eligibility by the State Department of Health Services; and

"Whereas, E.P.A. intends to pursue a new policy of exhausting all available enforcement remedies against potentially responsible parties before initiating any federal Superfund moneys; and

"Whereas, The former Administrator of the E.P.A., Anne (Gorsuch) Burford, has

been cited for contempt of the Congress of the United States for her refusal to turn over documents relative to the E.P.A.'s handling of the Superfund toxic waste cleanup program; and

"Whereas, The Federal Bureau of Investigation has been called into the offices of the E.P.A. to investigate the potential destruction of documents subpoenaed in the congressional investigation of the E.P.A.; and

"Whereas, The recent controversies involving staff at the E.P.A. have shaken public confidence in the fair and forthright implementation of E.P.A.'s mission to protect the environment and the health and safety of the people of the United States; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature of the State of California respectfully memorialize the President of the United States to direct the new Administrator of the Environmental Protection Agency to quickly and effectively implement all the provisions of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, to speedily distribute the moneys in the Hazardous Substance Response Trust Fund for the cleanup of all hazardous waste sites which pose an imminent and substantial danger to the public health or welfare, and to modify the current enforcement policies by not waiting to exhaust all enforcement remedies before initiating hazardous waste site remedial actions; and be it further

"*Resolved,* That a full investigation of the conduct of the Superfund program by the E.P.A. be instituted, including investigation of alleged conflict of interest by past or current government officials in decisions affecting the cleanup of the Stringfellow Acid Pit in Riverside, California; and be it further

"*Resolved,* That the President direct the E.P.A. to commit itself to full public participation by affected citizens in the implementation of the Superfund cleanup program, so as to restore the public's faith in the integrity of the program of the E.P.A.; and be it further

"*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the President and the Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the Administrator of the Environmental Protection Agency."

POM-96. A concurrent resolution adopted by the Legislature of the State of Arizona; to the Committee on Environment and Public Works:

"Whereas, the domestic copper producing industry must compete in a world market which effectively limits copper prices; and

"Whereas, most foreign producers are not subject to stringent requirements for environmental controls which in the United States add from ten to fifteen cents to the cost of producing a pound of copper; and

"Whereas, most foreign producers have significantly lower labor costs and in many cases enjoy government subsidies; and

"Whereas, the depressed state of the United States economy and the economies of most foreign countries has severely reduced the demand for copper, resulting in the lowest copper prices, in terms of constant 1982 dollars, since the depression of the 1930's; and

"Whereas, as a result of the foregoing conditions, a large segment of the domestic copper industry is shut down, with nearly twelve thousand copper industry workers unemployed in Arizona alone, causing a serious adverse effect on this state's economy; and

"Whereas, seven of the fourteen domestic primary copper smelters are located in the State of Arizona, which normally produces more than half of all the copper produced in the United States; and

"Whereas, Arizona copper producers already have spent more than three-quarters of a billion dollars installing pollution control equipment to comply with the Clean Air Act, resulting in substantial corporate debts; and

* * * * *

POM-97. A resolution adopted by the House of Representatives of the State of Washington; to the Committee on Environment and Public Works:

"RESOLUTION No. 83-25

"Whereas, The Port of Grays Harbor is the only deep water port on the western coast of the State of Washington; and

"Whereas, Tremendous renewable timber resources are transported to the Port of Grays Harbor from several counties; and

"Whereas, Increased shipments of forest products are being made to Pacific Rim Nations, including Japan, Korea, and the Peoples Republic of China; and

"Whereas, Continued shipments of these commodities will contribute significantly to this nation's balance of trade; and

"Whereas, The United States Army Corps of Engineers has completed a feasibility study to improve navigation facilities at Grays Harbor; and

"Whereas, These improvements include deepening the navigation channels from thirty feet to thirty-eight feet; and

"Whereas, Larger and more cost-effective vessels now in the trade are precluded from departing fully-laden from Grays Harbor; and

"Whereas, The United States Army Corps of Engineers Board of Engineers for Rivers and Harbors on December 14, 1982, approved the feasibility report for channel improvements;

"Now, therefore, be it resolved, By the House of Representatives of the State of Washington, That the President of the United States and the Congress of the United States be urged to approve the authorization for the Grays Harbor Deeper Draft Project and to provide in federal fiscal years 1984 and 1985 such funding as may be necessary to complete the Continuation of Planning and Engineering studies as soon as possible; and

"Be it further resolved, That copies of this resolution be forwarded to President Ronald Reagan, the President of the United States Senate, the Speaker of the United States House of Representatives, and to the members of the congressional delegation from Washington State."

POM-98. A resolution adopted by the Council of the City of Cleveland, Ohio relating to St. Lawrence Seaway debt and Seaway tolls; to the Committee on Environment and Public Works.

POM-99. A resolution adopted by the General Assembly of the Commonwealth of Virginia; to the Committee on Finance:

"HOUSE JOINT RESOLUTION No. 102

"Whereas, the Virginia Housing Development Authority has, through the issuance of its tax-exempt bonds, financed single family homes for over 56,000 Virginians who could not otherwise have afforded to buy homes; and

"Whereas, as a result of the cooperative efforts of the Virginia Housing Development Authority, private lending institutions and the housing industry, such financing of single family homes has attracted over a billion dollars of mortgage capital to the Commonwealth, has produced numerous jobs in the construction and housing industry, has generated state and local taxes for the Commonwealth and its localities and has been of great economic and social benefit to the Commonwealth; and

"Whereas, the Mortgage Subsidy Bond Tax Act of 1980 contains a "sunset provision" which would prohibit the issuance of tax-exempt bonds for single family housing after December 31, 1983; and

"Whereas, such "sunset provision" will have serious detrimental effect on the well-being of the citizens of the Commonwealth; and

"Whereas, legislation will be introduced in the Congress of the United States to eliminate the "sunset provision" in the Mortgage Subsidy Bond Tax Act of 1980; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the General Assembly hereby memorializes the Congess of the United States to enact legislation which will eliminate the "sunset provision" in the Mortgage Subsidy Bond Tax Act of 1980 prohibiting the issuance of tax-exempt bonds for the financing of family homes after December 31, 1983; and, be it

"Resolved further, That the Clerk of the House of Delegates is directed to send copies of this resolution to the presiding officers of both Houses of the United States Congress and to members of the Virginia Congressional Delegation in order that they may be apprised of the sense of this body."

POM-100. A joint resolution adopted by the General Assembly of the North Carolina; to the Committee on Finance:

"SENATE JOINT RESOLUTION 108

"Whereas, our country nearly two hundred years ago established the democratic goal of equality of opportunity for all citizens of the republic; and

"Whereas, the principle of separation of church and state was also established as a fundamental precept of the First Amendment to the United States Constitution; and

"Whereas, passage of legislation supporting federal tuition tax credit for persons who send their children to private schools would violate the above goal and principle which have been major factors in building our American democracy; and

"Whereas, adoption of federal tuition tax credit legislation would give the force of law to a vast social experiment which virtually would destroy public education as conceived over the years through adherence to the above goal and principle; and

"Whereas, tuition tax credits give private schools an unfair competitive advantage over public schools because private schools can refuse to offer services that public schools must provide and they can be selective with regard to whom they admit; and

"Whereas, adoption of tuition tax credits would lead to an educational caste system by drawing middle and higher income children into private schools; and since many families are too poor to claim the tax break, the poor and minorities would be barred from participation; and

"Whereas, tuition tax credits would erode voter support for local school budgets because some parents who would be most likely to support quality programs and facilities for the public schools would be attracted to private schools as federal revenues shift from public to private schools; and

"Whereas, North Carolina's own, venerable, Constitutional Statesman, former Senator Sam J. Ervin, Jr., has forcefully characterized the proposed tuition tax credit legislation as unwise, unjust, and unconstitutional; and

"Whereas, North Carolina's Governor, James B. Hunt, Jr., has declared 1982-83 as "The Year of the Public Schools" in obvious pride in and support for North Carolina's system of public education; and

"Whereas, virtually every organization which represents public schools opposes the concept and the proposal known as tuition tax credits;

Now, therefore, be it resolved by the Senate, the House of Representatives concurring:

"Section 1. The General Assembly urges the members of the Congress of the United States from North Carolina to oppose the introduction and passage of a tuition tax credit bill.

"Sec. 2. The General Assembly urges Congress not to pass a tuition tax credit bill, if introduced.

"Sec. 3. The Secretary of State shall transmit copies of this resolution to the members of the Congress of the United States from North Carolina and to the Clerk of the U.S. House of Representatives and the Secretary of the U.S. Senate.

"Sec. 4. This resolution is effective upon ratification."

POM-101. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Finance:

JOINT RESOLUTION No. 12

"Whereas, After July 1, 1983, any financial institution or government which pays interest or a dividend to any person must withhold a tax equal to 10 percent of the amount of the interest or dividend; and

"Whereas, This program for the withholding of taxes will be costly for both the Federal Government and the governments or financial institutions which pay the interest and dividends; and

"Whereas, Any person who receives the interest or dividend will lose the income he would earn on that amount if it had not been withheld as a tax; now, therefore, be it

"*Resolved by the Assembly and the Senate of the State of Nevada, jointly,* That this legislature calls upon the Congress of the United States to repeal the statutes which provide for the withholding of income tax from interest and dividends paid; and be it further

"*Resolved,* That the legislative counsel transmit copies of this resolution to the Vice President of the United States as President of the Senate, to the Speaker of the House of Representatives, and to all members of Nevada's congressional delegation; and be it further

"*Resolved,* That this resolution shall become effective upon passage and approval."

POM-102. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Finance:

"JOINT RESOLUTION No. 1

"Whereas, Many mentally retarded or physically handicapped persons have little or no earning capacity and depend upon the federally established program of supplemental security income for support; and

"Whereas, The federal statutes governing the program of supplemental security income specify the maximum annual income which a recipient may receive and the maximum resources which a recipient may have and still be eligible for assistance under the program; and

"Whereas, These limitations on income and resources preclude the accumulation and investment of savings from such sources as parental gifts and bequests without loss of eligibility; and

"Whereas, A mentally retarded or physically handicapped person may very well outlive his parents and other persons who would, if living, provide for his special needs and be responsible for him in the event governmentally supported assistance is reduced or discontinued; and

"Whereas, Many parents strongly desire to assist their mentally retarded or physically handicapped children in accumulating savings upon which those children can draw when necessary, particularly after the parents' death; and

"Whereas, Those parents, and others concerned with the security and well-being of mentally retarded or physically handicapped persons in their later years, urge the enactment of legislation to permit a recipient of supplemental security income who is mentally retarded or physically handicapped to invest a certain amount of savings annually without need for complex legal mechanisms and without inclusion of the amounts accumulated in the computation of income and resources for the purpose of determining eligibility; and

"Whereas, The legislature of the State of Nevada has considered this problem and has concluded that legislative action is needed to encourage mentally retarded or physically handicapped persons to acquire privately financed reserves to protect them against the uncertainties of the future when they are alone and without other sources of support apart from governmental programs of assistance; and

Whereas, Governmental incentives to long-term savings are not new, the most obvious recent example being the program whereby a person may invest a portion of his earnings (up to $2,000 per year for a single person) in the "individual retirement account" without paying current federal income taxes on the amounts accumulated; and

Whereas, A program for long-term savings by mentally retarded or physically handicapped persons without loss of eligibility for benefits under the supplemental security income program could be patterned after the program for individual retirement accounts in some respects; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada, jointly,* That this legislature strongly urges the Congress of the United States to amend the statutory provisions governing the program of supplemental security income (Title XVI of the Social Security Act, 42 U.S.C. §§ 1381 et seq.) to exclude from the definitions of income and resources amounts up to $2,000 per year, plus interest or other return on those amounts, received by or on behalf of a mentally retarded or physically handicapped person and paid to an approved 'savings plan' or 'savings account' established for his benefit; and be it further

"*Resolved,* That several alternative types of savings plans or savings accounts be approved for this purpose; and be it further

"*Resolved,* That corresponding changes be made in any other federally established programs which preclude the accumulation of savings by mentally retarded or physically handicapped persons receiving benefits on the basis of need in substantially the same manner; and be it further

"*Resolved,* That the legislative counsel shall forthwith transmit copies of this resolution to the President of the United States, the Vice President as President of the Senate, the Speaker of the House of Representatives and each member of the Nevada congressional delegation; and be it further

"*Resolved,* That this resolution shall become effective upon passage and approval."

POM-103. A resolution adopted by the Commission of the City of Miami, Florida urging governmental use of supplies, materials and equipment manufactured in the United States; to the Committee on Finance.

POM-104. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Foreign Relations:

"RESOLUTION No. 24

"Whereas, there is no treaty in force between the United States of America and the Republic of the Philippines providing for the extradition of fugitives from the law; and

"Whereas, law breakers from the United States have taken refuge in the Republic of the Philippines; and

"Whereas, because of the close proximity of Guam to the Republic of the Philippines several persons have left the territory after committing serious crimes and found safe havens in the Republic of the Philippines; and

"Whereas, the Seventeenth Guam Legislature is aware that a treaty has been negotiated by the Department of State, on behalf of the United States, with the Republic of the Philippines to provide for the extradition of persons committing criminal acts; and

"Whereas, the Seventeenth Guam Legislature has learned that the Department of State has not submitted the Treaty to the United States Senate for ratification; and

"Whereas, the members of the Seventeenth Guam Legislature have reviewed the proposed Treaty and find it would greatly enhance law enforcement in the territory of Guam; now, therefore, be it

"Resolved, that the Seventeenth Guam legislature requests the Secretary of State to forward to the United States Senate the proposed extradition Treaty between the United States of America and the Republic of the Philippines; and be it further

"Resolved, that the United States Senate is respectfully requested to act favorably and ratify the proposed extradition treaty as soon as possible; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States; to the President pro tempore of the United States Senate; to the Secretary of State; to the Secretary of the Interior; to the United States Attorney General; to the Consulate General of the Republic of the Philippines on Guam; the

President, Republic of the Philippines; to Guam's Congressman; and to the Governor of Guam."

POM-105. A resolution adopted by the House of Delegates of the Republic of Palau; to the Committee on Foreign Relations:

"A HOUSE RESOLUTION

"Whereas, under the Trusteeship Agreement between the United States and the United Nations governing the former Japanese mandated islands, the United States as an administering authority assumed the obligations to promote the political, economic and social advancement of the Palauan people toward self-government or independence as may be appropriate to the circumstances of the people concerned; and

"Whereas, on February 10, 1983, in an act of political self-determination, the people of the Republic of Palau voted and ratified the Compact of Free Association as negotiated and signed on August 26, 1982, by United States Ambassador Fred M. Zeder, II, and Republic of Palau Ambassador Lazarus Salii; and

"Whereas, in view of the result of the votes on Section 314 of the Compact, it is now mandatory that the United States and Palau should renegotiate a new Compact section on harmful substances or in the alternative delete the said section completely from the Compact of Free Association; and

"Whereas, it is the sense of the House of Delegates of the Palau National Congress that Section 314 of the Compact can be excised from the Compact of Free Association without jeopardizing the integrity of the Compact and that the Compact could be put into effect without such section on harmful substance; now, therefore, be it

"Resolved, by the House of Delegates of the First Olbiil Era Kelulau, Sixth Special Session, February, 1983, that it is the sense of the Palau National Congress that the United States Congress be and the same is hereby respectfully urged and requested to approve and ratify the Compact of Free Association between the United States and the Republic of Palau and allow the same to go into effect; and be it further

"*Resolved*, That certified copies of this House Resolution shall be transmitted to the President of the United States, Ronald Reagan, President Pro Tem of the United Senate, Strom Thurmond, Speaker of the United States House of Representatives, Thomas P. O'Neill, Jr., Chairman of the House Committee on Interior Affairs, Morris K. Udall, Chairman of the Senate Committee on Foreign Relations, Charles H. Percy, Senators Spark M. Matsunaga and Daniel K. Inouye, United States Ambassador Fred M. Zeder, II, High Commissioner of the Pacific Islands, Janet McCoy, President of the Republic of Palau, Haruo I. Remeliik, Palau Ambassador Lazarus Salii, the governors of the several states of Palau, and the United Nations Trusteeship Council."

POM-106. A resolution adopted by the Assembly of the State of New York; to the Committee on Foreign Relations:

"RESOLUTION No. 107

"Whereas, It is the sense of this Legislative Body that the preservation of human dignity is numbered among our most sacred duties; and

"Whereas, The enhancement of civil liberties and the furtherance of the values and worth of human live underscore our Legislative considerations; and

"Whereas, Fully cognizant of our responsibility to the commonwealth of mankind, this Legislative Body, once again, directs its attention to the beleaguered people of the Beloved Nation of Poland; and

"Whereas, Current information concerning the plight of the valiant leader of Solidarity, Lech Walesa, is truly frightening and, indeed, if correct, most clearly appalling; and

"Whereas, The Solidarity Committee in southern Sweden, through its spokesman, Wladyslaw Bartoszewski, has released information concerning the deteriorating mental and physical health of imprisoned Lech Walesa; and

"Whereas, It has been ascertained that Lech Walesa emits unnatural symptoms of lethargy and apathy; that he has gained abnormally in weight; that he displays signs of psychological imbalance; and

"Whereas, These reports of such unnatural behavior are, moreover confirmed by Danuta Walesa, the wife of Solidarity's valiant leader; and

"Whereas, Danuta's observations stem from a recent visit with her imprisoned husband; she has witnessed these personal aberrations and subsequently expressed her concern; and

"Whereas, If these reports are true, and, indeed, such confirmation as that of Danuta's witnessed account indicates they are, it can only mean that drugs are being administered to Lech Walesa, that his mind and body are being cruelly and painfully manipulated; and

"Whereas, In the pages of history, Beloved Poland has been referred to as the Christ of the Nations; how true the prophecy, how relevant the analogy; now, the valiant leader of Solidarity is being savaged by his wards, is being vegetablized by his keepers; and

"Whereas, The great Polish novelist Joseph Conrad once wrote of 'The Heart of Darkness', of the treacherous essence of moral corruption, of the metaphysical nature of evil; and

"Whereas, This crime against the person of Lech Walesa approaches Conrad's definition of absolute evil; in its cruelty, it is unsurpassed; it is the work of the anti-Christ; it is, in the final analysis, dehumanization; and

"Whereas, We register, now, in turn, our determined and heartfelt outrage; we further petition President Ronald Reagan and the Congress of the United States to intervene and to make adequate protestation to the General Assembly of the United Nations; and

"Whereas, For the beleaguered people of the Beloved Nation of Poland, the Solidarity movement is the estuary to the sea of hope, from its broad basin emanate the current of change and the irrepressible tide of freedom; and

"Whereas, The life and person of Solidarity's courageous leader is now clearly threatened; now, therefore, be it

"*Resolved*, That this Legislative Body pause in its deliberations and most emphatically register our heartfelt and determined outrage; we further petition President Ronald Reagan and the Congress of the United States to intervene and to make adequate protestations to the General Assembly of the United Nations regarding this most cruel and inhumane treatment of the valiant Lech Walesa; and be it further

"*Resolved*, That a copy of this Resolution, suitably engrossed, be transmitted to President Ronald Reagan and to the leadership of the Congress of the United States."

POM-107. A resolution adopted by the Legislature of the State of Nebraska; to the Committee on Foreign Relations:

"LEGISLATIVE RESOLUTION 54

"Whereas, many American servicemen and civilians are still missing and unaccounted for as a result of the Vietnam conflict; and

"Whereas, the families of the men who are missing and unaccounted for are subject to mental anguish and a sense of futility in their quest for information about such men, and many other Americans are troubled because of the situation of such families; and

"Whereas, it is the United States government's statutory responsibility to ensure both the return of all prisoners of war and the accounting for missing personnel, as well as the repatriation of remains of those who perished serving our nation; and

"Whereas, an increasing number of eyewitness reports of Americans in captivity in Southeast Asia continue to fill the hopes of the POW/MIA families that priority effort will be made to exact a precise accounting for these men.

"Now, therefore, be it resolved by the Members of the Eighty-eighth Legislature of Nebraska, First Session:

"1. That this Legislature go on record urging that new initiatives be taken at every level of government to secure the safe return of these Americans.

"2. That this Legislature petition and thereby encourage the Congress of the United States to begin taking the steps required to secure the release of our prisoners of war and account for those who are still missing.

"3. That a copy of this Resolution be sent to the Honorable President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and Nebraska's congressional delegation."

POM-108. A resolution adopted by the General Assembly of the Commonwealth of Virginia; to the Committee on Governmental Affairs:

"HOUSE JOINT RESOLUTION No. 90

"Whereas, the Lorton Reformatory experiences two or three escapes per month by inmates incarcerated in that institution; and

"Whereas, it is recognized that the administrators and correctional personnel of the Lorton Reformatory are making an effort to decrease the number of escapes and are interested in the welfare of all residents in the area; and

"Whereas, despite these efforts it is a source of concern to this General Assembly that this public safety of the Virginia citizens living near the Lorton Reformatory may frequently be in jeopardy as a result of these escapes; and

"Whereas, the citizens of the Commonwealth could benefit from improved control of the inmate population at the Lorton Reformatory and their safety would be enhanced by these improvements; now, therefore, be it

"*Resoved* by the House of Delegates, the *Senate concurring*, That the General Assembly of Virginia hereby memorializes the Congress of the United States to take appropriate action to increase the public safety of all Virginia citizens living in the nearby area of the Lorton Reformatory; and, be it

"*Resolved further*, That the Clerk of the House of Delegates is hereby instructed to transmit copies of this resolution to the

Speaker of the United States House of Representatives, the President of the United States Senate and to the Members of the Virginia Delegation to the Congress of the United States in order that they may be apprised of the sense of this body."

POM-109. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on the Judiciary:

"RESOLUTION No. 43

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, in June 1978, Congress approved an amendment to the United States Constitution that would give Washington, D.C. two United States senators, the same as a state, and as many seats in the House of Representatives as a state of similar population would have; and

"Whereas, since June of 1978, ten states have ratified the measure and approval by twenty-eight more states is still needed; and

"Whereas, Washington, D.C. is a city of 635,000 people who like the residents of offshore territories of Guam, Puerto Rico, the Virgin Islands, American Samoa and the Commonwealth of the Northern Mariana Islands have been denied full participation in the United States system of government only by reason of their residence in a "territorial area"; and

"Whereas, all United States citizens should be treated equally and should have the opportunity to fully participate in Congress by having elected representatives with voting rights; now, therefore, be it

"*Resolved*, That the Seventeenth Guam Legislature, on behalf of the people of the Territory of Guam, supports the efforts of the District of Columbia in obtaining greater participation in the United States system of government through either the passage of the proposed Constitutional Amendment or admission to the Union as a state; and be it further

"*Resolved*, That the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States; to the President pro tempore of the U.S. Senate; to the Speaker of the House of Representatives; to the Mayor of the District of Columbia; to each state and territorial Legislature; to Guam's Congressman; and to the Governor of Guam."

POM-110. A joint resolution adopted by the General Assembly of the Commonwealth of Virginia; to the Committee on the Judiciary:

"HOUSE JOINT RESOLUTION No. 79

"Whereas, drug importation, distribution and trafficking have become an organized major criminal enterprise; and

"Whereas, this major criminal enterprise is amassing millions of dollars of illegal profits; and

"Whereas, drug usage is increasing in America and is reaching children of ever-younger ages, and drug use is related to the steady increase in violent crimes against persons and property; and

"Whereas, drug crimes require a major portion of the local, state and federal law-enforcement budget; and

"Whereas, the large amount of illegal profits of drug trafficking has a corrupting influence on the individuals and institutions of government and commerce in the United States; and

"Whereas, intelligence sources have identified the source of the major portion of illegal drugs as being foreign in nature; and

"Whereas, several countries of Latin America, Southeast Asia and the Middle East have been identified as source points of illegal drug cultivation, production or distribution; now, therefore, be it

"*Resolved* by the House of Delegates, the *Senate concurring*, That the General Assembly of Virginia, by this resolution, calls upon the United States Congress and the Executive Branch of the Government of the United States to use the full weight of the laws and policies of the United States government to curb and eliminate the international drug trafficking industry, those methods to include, but not be limited to, the use of military resources to interdict drug shipments; the imposition of trade sanctions against those nations which do not cooperate effectively in this drug trafficking eradication program; and the impoundment, withholding or withdrawal of foreign aid efforts to those identified drug source nations; and, be it

"*Resolved further*, That funding withdrawn from foreign aid distribution be applied to domestic and international drug eradication; and, be it

"*Resolved further*, That the full force of the national intelligence and law-enforcement effort be applied to the drug eradication effort; and, that the United States Congress and the Executive Branch use such other means as authorized by law to designate the drug trafficking eradication effort as the primary law-enforcement priority; and, be it

"*Resolved finally*, That the Clerk of the House of Delegates is directed to prepare a copy of this resolution for transmittal to the Congress and the Executive Branch of the United States Government."

POM-111. A resolution adopted by the House of Representatives of the State of Georgia; to the Committee on the Judiciary:

"H.R. No. 399

"Whereas, Honorable George Bush, the President of the United States Senate, has signed the Response to the People Legislative Treaty to Stop Drugs at the Source, which treaty is to be cosigned by Presidents of State Senates, county commissioners, and members of city councils, and which treaty is to serve as evidence that the Stop Drugs at the Source Petition will be answered; and

"Whereas, the availability of harmful and illicit drugs to our children is a threat to the life, liberty, and pursuit of happiness of the people and the security of the United States of America; and

"Whereas, the availability of harmful and illicit drugs to our children is a violation of human rights; and

"Whereas, in 1972, the Georgia General Assembly, one of the 13 original framers of the Constitution, recognized this national threat and set our nation and other nations on the course of the Stop Drugs at the Source Petition and Treaty campaigns with the historic resolution cosigned by 56 Senators and 180 Representatives; and

"Whereas, educators have developed the Stop Drugs at the Source Petition and Treaty campaigns into citizenship education for citizens of the entire community; and

"Whereas, the Governor of Georgia, Honorable Joe Frank Harris, has proclaimed 1983 the Year of Stop Drugs at the Source; and

"Whereas, the Governor of Georgia, Honorable Joe Frank Harris, has cosigned the Response to the People Executive Treaty with the President of the United States, Honorable Ronald Reagan; and

"Whereas, the President of the Georgia Senate, Honorable Zell Miller, has cosigned the Response to the People Legislative Treaty with the President of the United States Senate, Honorable George Bush; and

"Whereas, the Speaker of the Georgia House of Representatives, Honorable Thomas B. Murphy, has cosigned the Response to the People Legislative Treaty with the Speaker of the United States House of Representatives, Honorable Thomas P. "Tip" O'Neill; and

"Whereas, the Stop Drugs at the Source Petition and Treaty campaigns instituted by the 1972 Georgia General Assembly's resolution are developed and should be presented to our sister states and other nations; and

"Whereas, Honorable Max Cleland, the Secretary of State of Georgia, has agreed to serve as the chairman of the Ben Fortson Bicentennial Secretaries of States Committee to implement the Stop Drugs at the Source Petition and Treaty campaigns in other states and nations.

"Now, therefore, be it resolved by the House of Representatives that the members of this body express our gratitude and appreciation to Honorable George Bush, the President of the United States Senate, for having signed the Response to the People Legislative Treaty to Stop Drugs at the Source and for his pledge to keep harmful and illicit drugs away from our children.

"Be it further resolved that the Clerk of the House of Representatives is authorized and directed to transmit an appropriate copy of this resolution to Honorable George Bush, President of the United States Senate."

POM-112. A resolution adopted by the International Association of Chiefs of Police, calling upon Congress to increase the Drug Enforcement Administration's authorized appropriation in support of the expansion of the task force program; to the Committee on the Judiciary.

POM-113. A petition from a citizen of Hayward, Calif., expressing dissatisfaction with Congress; to the Committee on the Judiciary.

POM-114. A resolution adopted by the commission of the city of Miami, Fla., urging the Federal Government to investigate the activities of Fidel Castro's intelligence force in the city of Miami and other cities to insure the safety of members and leaders of the Cuban community in exile; to the Committee on the Judiciary.

POM-115. A resolution adopted by the Legislature of the Territory of Guam: to the Committee on Labor and Human Resources:

"RESOLUTION No. 48

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, in 1973, Public Law 12-31 authorized the Board of Education to initiate and develop a bilingual-bicultural education program emphasizing the language and culture of the Chamorro people; and

"Whereas, in the Fall of 1973, the Department of Education implemented a Chamorro Language and Culture Program funded by the Federal Emergency School Aid Act; and

"Whereas, in 1977, Public Law 14-53, amended by Public Law 15-9, directed that courses in Chamorro language and culture be mandatory no later than school year

1980 for all elementary students but elective for students in the Junior and Senior High Schools; and

"Whereas, the Governor of Guam has proclaimed Chamorro Week to be observed from February 21 through March 4; and

"Whereas, the Chamorro Language and Culture Program imparts to students of Chamorro ancestry an appreciation of the history and culture associated with their language, and to students of other ethnic backgrounds, insight into the beauty found in the language and cultural heritage of a unique people—the Chamorros; and

"Whereas, the observance and celebration of Chamorro Week is encapsulated in the theme, "I Linguahi Yan Kuttura—Isan I Haleta" that is, that language and culture are the rainbows that direct us to our roots; and

"Whereas, Juan Malimanga comic strip is a product of the Chamorro Language and Special Projects Division, Department of Education; and

"Whereas, the participants in the program—staff, teachers, and students—should take pride in their accomplishments and achievements over the past school years; now, therefore, be it

"Resolved, That the Seventeenth Guam Legislature extends its appreciation and commendation to the staff, teachers, and students in the Chamorro Language and Culture Program; and be it further

"Resolved, That the Chamorro Language and Special Projects Division, Department of Education should diligently pursue the completion of a Chamorro Language Grammar; and be it further

"Resolved, That the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Administrator, Chamorro Language and Special Projects Division, Department of Education; to the Director of Education; to the Chairman, Board of Education; to the President of the United States; to the Speaker, U.S. House of Representatives; to the President Pro Tempore, U.S. Senate; to Guam's Washington Representative; to all the various Chamorro Clubs and associations in California and in the other areas of the United States; and to the Governor of Guam."

POM-116. A resolution adopted by the General Assembly of the Commonwealth of Virginia; to the Committee on Veterans' Affairs:

"HOUSE JOINT RESOLUTION No. 42

"Whereas, there are approximately 250,000 veterans in the United States, of whom approximately 1,500 reside in Virginia, who may have been exposed to atomic radiation either during the occupation of Japan or in conjunction with nuclear weapons tests conducted in the United States and the Pacific since 1945; and

"Whereas, some of these veterans suffer health problems including cancer, degenerative bone and nerve diseases, intestinal disorders, heart, blood and respiratory diseases and emotion problems; and

"Whereas, certain birth defects have occurred in the children and grandchildren of these veterans; and

"Whereas, medical evidence indicates these health problems may be associated with exposure to atomic radiation; and

"Whereas, some veterans are hesitant to come forward regarding the causes and effects of their military exposure to radiation for fear of prosecution under certain statutes, possible loss of private employee medical benefits, and diminished employment potential; and

"Whereas, the application of certain regulations of the United States Veterans Administration pertaining to the provisions of health care to veterans exposed to atomic radiation may not adequately address their needs; and

"Whereas, the application of certain Veterans Administration regulations has resulted in the denial of a large percentage of claims by these veterans for health care and compensation; and

"Whereas, it may work a significant hardship upon these veterans to pursue their legal remedies on claims regarding exposure to atomic radiation due to matters of national security, inaccurate or nonexistent records and passage of time; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the General Assembly of Virginia memorializes the President and Congress of the United States to review the current regulations of the Veterans Administration regarding the provision of health care to veterans exposed to atomic radiation; and, be it

"Resolved further, That the General Assembly of Virginia further memorializes the President and Congress to direct the Veterans Administration and other appropriate federal agencies to assist the affected veterans in good faith and with all possible speed to locate their records and documentation pertaining to exposure of individuals and military units to atomic radiation and to expedite hearings upon their claims; and, be it

"Resolved finally, That the Clerk of the House of Delegates transmit copies of this resolution to the President of the United States, to the Speaker of the United States House of Representatives, to the President of the United States Senate, to the members of the Virginia delegation to the Congress of the United States, and to the Administrator of the United States Veterans Administration."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SIMPSON, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 529. A bill to revise and reform the Immigration and Nationality Act, and for other purposes (with additional and minority views) (Rept. No. 98-62).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. TOWER, from the Committee on Armed Services:

Gen. John A. Wickham, Jr., 092-20-1086, U.S. Army, to Chief of Staff, U.S. Army.

Mr. TOWER. Mr. President, from the Committee on Armed Services, I favorably report the following nominations: Maj. Gen. Robert M. Elton, U.S. Army, to be lieutenant general, Lt. Gen. John F. Forrest, U.S. Army (age 55), to be placed on the retired list, Maj. Gen. Robert L. Wetzel, U.S. Army, to be lieutenant general, Vice Admiral Steven A. White, U.S. Navy, to be admiral, Rear Adm. Lewis H. Seaton, U.S. Navy, to be Chief of the Bureau of Medicine and Surgery and Surgeon General, Maj. Gen. Carl E. Vuono, U.S. Army, to be lieutenant general, Vice Adm. Ernest R. Seymour, U.S. Navy (age 51), to be placed on the retired list, Rear Adm. Daniel L. Cooper, U.S. Navy, to be Director of Budget and Reports in the Department of the Navy, Gen. William Y. Smith, U.S. Air Force (age 55), to be placed on the retired list, Gen. Richard L. Lawson, U.S. Air Force, to be reassigned in the grade of general, Lt. Gen. James E. Dalton, U.S. Air Force, to be general, Lt. Gen. Eugene P. Forrester, U.S. Army (age 56), to be placed on the retired list, and Lt. Gen. James M. Lee, U.S. Army, to be reassigned in the grade of lieutenant general. I ask that these names be placed on the Executive Calendar.

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

Mr. TOWER. Mr. President, in addition, in the the Air Force Reserve there are 19 promotions to the grade of lieutenant colonel (list begins with John G. Aldous), in the Army there are 19 appointments to the grade of lieutenant colonel and below (list begins with Edward J. F. Thomas), in the Army there are 2,105 appointments to the grade of second lieutenant from the ROTC (list begins with George B. Abernathy), in the Army there are 192 appointments to the grade of lieutenant colonel and below (list begins with Carolyn H. Cain), in the Navy there are 153 permanent promotions to the grade of captain (list begins with Everett D. Beringer), in the Navy there are 878 permanent appointments to the grade of ensign (list begins with George Abitante), in the Navy and Naval Reserve there are 50 permanent appointments to the grade of captain and below (list begins with Clyde A. Best, Jr.), in the Navy there are 50 permanent appointments to the grade of ensign (list begins with Michelle R. Austin), William H. Smith for permanent appointment to the grade of major in the Marine Corps, and in the Marine Corps there are 216 transfers from the Marine Corps Reserve to the grade of major and below (list begins with Mark Stevens). Since these names have already appeared in the CONGRESSIONAL RECORD of April 12, 1983 and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

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

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. GARN (by request):

S. 1120. A bill to authorize printing of the back side of U.S. paper money of the denomination of $1 by a method other than the intaglio process; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. COCHRAN:

S. 1121. A bill to repeal the national maximum speed limit for motor vehicles; to the Committee on Commerce, Science, and Transportation.

By Mr. SASSER:

S. 1122. A bill to transfer certain Federal property to the city of Clarksville, the county of Montgomery, and the county of Stewart in Tennessee; to the Committee on Governmental Affairs.

By Mr. HEFLIN:

S. 1123. A bill to provide for the temporary suspension of the duty on 2-methyl-4-chlorophenol; to the Committee on Finance.

By Mr. STAFFORD:

S. 1124. A bill to amend title IV of the Social Security Act with respect to the treatment of earned income for purposes of the aid to families with dependent children program, and for other purposes; to the Committee on Finance.

By Mr. HELMS:

S. 1125. A bill to provide for the establishment of individual retirement security accounts; to the Committee on Finance.

By Mr. PERCY:

S. 1126. A bill for the relief of Harvey E. Ward; to the Committee on the Judiciary.

By Mr. METZENBAUM (for himself, Mr. HEINZ, Mr. CRANSTON, Mr. DURENBERGER, Mr. LEVIN, Mr. COCHRAN, Mr. SPECTER, Mr. PRESSLER, Mr. GORTON, Mr. KENNEDY, Mr. MOYNIHAN, and Mr. EXON):

S. 1127. A bill to amend the Arts and Artifacts Indemnity Act to facilitate the indemnification of works of art by Americans exhibited outside the United States; to the Committee on Labor and Human Resources.

By Mr. LEAHY (for himself, Mr. ANDREWS, Mr. BAUCUS, Mr. CHAFEE, Mr. CRANSTON, Mr. D'AMATO, Mr. HART, Mrs. HAWKINS, Mr. HUDDLESTON, Mr. MITCHELL, Mr. SASSER, Mr. STAFFORD, and Mr. ZORINSKY):

S. 1128. A bill entitled the "Agricultural Productivity Act of 1983."; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HATCH (for himself and Mr. DENTON):

S. 1129. A bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HATCH (for himself and Mr. DENTON) (by request):

S. 1130. A bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. CHILES:

S. 1131. A bill to deauthorize the Cross-Florida Barge Canal project, to adjust the boundaries of the Ocala National Forest, Fla., and for other purposes; to the Committee on Environment and Public Works.

By Mr. McCLURE (for himself, Mr. JACKSON, and Mr. MURKOWSKI):

S. 1132. A bill to amend the Federal Power Act to specify the annual charges for projects with licenses issued by the Federal Energy Regulatory Commission for the use of Federal dams and other structures; to the Committee on Energy and Natural Resources.

By Mr. EAGLETON (for himself, Mr. WEICKER, Mr. STAFFORD, Mr. COHEN, Mr. CRANSTON, Mr. DANFORTH, Mr. DODD, Mr. DURENBERGER, Mr. GORTON, Mr. HEINZ, Mr. KENNEDY, Mr. MATSUNAGA, Mr. METZENBAUM, Mr. PELL, Mr. RANDOLPH, and Mr. RIEGLE):

S. 1133. A bill to extend the authorization of appropriations for the Legal Services Corporation and to improve the provisions relating to operation of the Corporation and legal services programs; to the Committee on Labor and Human Resources.

By Mr. CRANSTON (for himself and Mr. WILSON):

S. 1134. A bill to dedicate the Golden Gate National Recreation Area to Phillip Burton; to the Committee on Energy and Natural Resources.

By Mr. HATFIELD:

S. 1135. A bill to consent to the Goose Lake Basin Compact between the States of California and Oregon; to the Committee on the Judiciary.

By Mr. TSONGAS:

S.J. Res. 87. Joint resolution designating a day of rememberance for victims of genocide; to the Committee on the Judiciary.

By Mr. DENTON (for himself, Mr. HATCH, Mr. BOSCHWITZ, Mr. CHAFEE, Mr. DOLE, Mr. EAST, Mr. HATFIELD, Mrs. HAWKINS, Mr. HEFLIN, Mr. HELMS, Mr. HUDDLESTON, Mr. HOLLINGS, Mr. INOUYE, Mr. JEPSEN, Mr. KASTEN, Mr. LAXALT, Mr. LEVIN, Mr. MATTINGLY, Mr. NICKLES, Mr. NUNN, Mr. ROTH, Mr. SPECTER, Mr. STENNIS, Mr. SYMMS, Mr. THURMOND, and Mr. TOWER):

S.J. Res. 88. Joint resolution to authorize and request the President to proclaim 1984 as the "National Year of Voluntarism."; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. STEVENS (for Mr. THURMOND) (for himself, Mr. BIDEN, Mr. GOLDWATER, Mr. NUNN, Mr. FORD, Mr. INOUYE, Mr. TOWER, Mr. BURDICK, Mr. SARBANES, Mr. JEPSEN, Mr. STEVENS, Mr. CHILES, Mr. BAUCUS, Mr. SYMMS, Mr. MELCHER, Mr. BUMPERS, Mr. LUGAR, Mr. RANDOLPH, Mr. EAST, Mr. HART, Mr. HATFIELD, Mr. BRADLEY, Mr. ARMSTRONG, Mr. NICKLES, Mr. ABDNOR, Mr. MATTINGLY, Mr. COHEN, Mr. HEFLIN, Mr. HOLLINGS, Mr. QUAYLE, Mr. CRANSTON, Mr. DOLE, Mr. PRYOR, Mr. WARNER, Mr. COCHRAN, Mr. DIXON, Mr. EAGLETON, Mr. HUMPHREY, Mr. BYRD, and Mr. STENNIS):

S. Res. 120. A resolution commending the U.S. Army Reserve on the occasion of its 75th anniversary; considered and agreed to.

By Mr. STEVENS (for Mr. BAKER) (for himself and Mr. BYRD):

S. Res. 121. A resolution to authorize the testimony of Thomas J. Karol; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. Garn (by request):

S. 1120. A bill to authorize the back side of U.S. paper money of the denomination of $1 to be printed by a method other than the intaglio process; to the Committee on Banking, Housing, and Urban Affairs.

PRINTING OF BACK SIDE OF $1 BILLS

Mr. GARN. Mr. President, I am today introducing a bill at the request of the administration and ask unanimous consent that the bill and the accompanying transmittal letter be printed in the RECORD.

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

S. 1120

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the ninth paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 418) is amended by adding at the end thereof the following: "Notwithstanding any other provision of law, the back side of Federal reserve notes of the denomination of $1 may, as the Secretary directs, be printed by a method other than the intaglio process.".

SEC. 2. Section 5114 of title 31, United States Code, is amended by adding at the end thereof the following:

"(d) Notwithstanding subsection (a) of this section, the back side of United States currency of the denomination of $1 may be printed by any process the Secretary selects.".

THE DEPUTY SECRETARY
OF THE TREASURY,
Washington, D.C., April 5, 1983.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill "To authorize the back side of United States paper money of the denomination of $1 to be printed by a method other than the intaglio process."

Under current law, United States currency and the currency of its territories and possessions must be printed using the intaglio printing process. Additionally, the Federal Reserve Act requires Federal reserve notes to be printed using the intaglio method. While the intaglio printing process is recognized as the most secure method of printing to prevent counterfeiting, it is also the most difficult and expensive method of printing available.

Recent problems have led Bureau of Engraving and Printing management to seek a less costly alternative to full intaglio printing. These problems include rapidly escalating material and labor costs which result in increased problems in controlling the impact on currency costs; an impending requiement for new and expensive intaglio equipment; and pressure on the availability of existing space and production capacity.

The purpose of the draft bill is to obtain authorization to utilize printing methods other than the intaglio process in the printing of the backs of paper money of the denomination of $1, while insuring that at least one side (the front) continues to be printed by the intaglio process.

If the bill is enacted, the Bureau of Engraving and Printing expects the following results:

1. An annual savings of from $4.5 million to $6.6 million (estimate based on fiscal year 1982 currency program costs);

2. Significant productivity improvements from associated process changes without sacrificing the security of the product;

3. A long term savings in capital investments of $5 million to $7 million.

For your convenient reference, there is enclosed a comparative type showing the changes which would be made in existing law.

It would be appreciated if you would lay the draft bill before the Senate. An identical draft bill has been transmitted to the Speaker of the House of Representatives.

The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's program to the submission of this proposed legislation to the Congress.

Sincerely,

R. T. McNAMAR.

By Mr. COCHRAN:

S. 1121. A bill to repeal the national maximum speed limit for motor vehicles; to the Committee on Commerce, Science, and Transportation.

REPEAL OF NATIONAL MAXIMUM SPEED LIMIT

● Mr. COCHRAN. Mr. President, I am today introducing legislation to return to each State the right to regulate the speed limit on its interstate highways. The sational maximum speed limit was passed in an effort to help conserve energy.

Since that time a worldwide glut of oil has decreased oil prices and more gas-efficient cars are being used on our Nation's highways.

In the last few years public opposition to the 55-miles-per-hour speed limit has increased. In 1981, 33 State legislatures debated measures to repeal or weaken the 55-miles-per-hour speed limit. In 1982, such bills were considered in 24 States. Several States have adopted weakening provisions such as minimal fines for speeds over 55 miles per hour.

One of the most often heard arguments for repeal of the 55-miles-per-hour limit is that our interstate highways were designed and built for safe travel at substantially higher speeds. Interstate highways are designed with turn radiuses, banks, lane widths and standards of graphics all specified for 70-miles-per-hour traffic.

Advocates of the 55-miles-per-hour limit talk of gallons of gas saved per mile. They ignore the cost of extra gallons burned when a salesman or truck driver stays on the road an extra hour, the cost of that driver's wasted time and the cost of extra vehicles needed to cover shortened but more numerous sales and delivery routes. They also ignore the significant costs of enforcement. Some estimate those additional costs to be as high as $6 billion on travel hours multiplied by the value of time (studies have shown that commuters are willing to pay up to 42 percent of an hour's wage to save an hour of traveltime).

Now that energy supplies have increased and energy conservation efforts have improved, I believe that we should return to State legislatures the right to make their own speed limit laws relevant to their individual circumstances. Certainly, the variety and diversity of our country justifies allowing each State to determine its own appropriate speed limit. In my view, the States are a much better judge of this issue than the Congress.

The editor of the Greenwood Commonwealth, John Emmerich, of Greenwood, Miss., recently published a very well-reasoned argument for reform in an editorial in his paper which I ask to be printed in the RECORD:

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

55-MPH SPEED LIMIT WAS STUPID TO BEGIN WITH; NOW IT'S RIDICULOUS

If you are driving a properly maintained automobile in good condition down a four-lane interstate highway, how fast is safe?

Until a few years ago, the answer was 70 miles per hour. On non-interstate highways, the speed limit was usually 65.

That was reasonable. Most motorists, I suspect, would agree that they could drive 70 on Interstate 55 between Winona and Jackson without endangering their own safety or that of their family or friends or other motorists on the highway.

But if you drive 70 on that highway today, or 65, or 60, or even 56, you're violating state law—because of the ridiculous 55-mph speed limit that Congress foisted on the states and which ought to be repealed.

The last time I complained about the 55-mph speed limit, I had just received a speeding ticket. No ticket this time. This column is inspired by the absurdity of the thing. It struck me as such as I was driving to Jackson the other day—my car on cruise control, very little traffic on the highway, dawdling along at 55 miles an hour in a car designed to go much faster on an interstate highway designed to accommodate much faster traffic.

Why do we still tolerate this too-slow limit?

Let's back up several years. You recall when the Arab oil producers, realizing the West's dependence on their oil, decided to jack up the price. They got away with it because America was dependent on their oil.

And this itself was largely a result of a stupid, short-sighted governmental interference in the free market system. The federal government was pursuing a policy of cheap energy in the United States—messing with the economic law of supply and demand by keeping oil and natural gas prices low. This was fine, of course, so long as there was plenty to go around.

But the cheap energy policy encouraged Americans to consume more, and it discouraged the oil drilling companies from finding more. In time, as a direct result of this policy, America was hooked on foreign oil for a large portion of what we consumed. The Organization of Petroleum Exporting Countries (OPEC) saw what had happened and took advantage of the situation to jack up its prices.

This government botched it even further by causing a near panic among motorists which resulted for one summer in long lines at the gas pumps.

Congress had gotten us into the mess, and it could have done something intelligent about it—painful though it would have been. It could have levied a stiff tariff on imported oil, for example. It could have levied a stiff tax on each gallon of gas at the pump.

This would have caused a scream of protest from motorists, of course, but it would have achieved quick results. American consumers would have started conserving energy immediately.

Instead, Congress delayed. In the name of patriotism President Carter called on Americans to conserve energy. Of course, that didn't work.

Meanwhile, since America was still hooked on foreign oil, OPEC kept raising the price. Their action was not based on what it cost them to produce the oil. They were charging what the market would bear.

Had Congress raised the tax on gasoline, or the tariff on imported oil, some of the higher prices motorists were paying for gasoline would have gone into the federal treasury instead of to the filthy-rich oil sheiks.

Finally, of course, the high price of energy began to take its toll. Americans started buying smaller imported cars instead of the big U.S. gas guzzlers. Detroit responded by making smaller cars, with better gas mileage. Americans started turning down their thermostats and insulating their houses, not because President Carter asked them to but because they didn't like paying those horrible fuel bills.

Meanwhile, Congress dawdled. But since it couldn't think of anything better to do during the early years of the great energy crisis, it forced all the states to lower the speed limit to 55 mph. Why? Supposedly to save gas.

I object. It was an empty, public gesture and an ineffective way to save gas. We could save more gas by regularly checking air pressure in our tires. Or regularly tuning car engines or checking pollution control devices.

And think of the wasted time—that is, if everyone actually drove 55—both in man-hours and in transportation equipment.

One expert at the Institute of Transportation Studies at the University of California computed the enormous cost of wasted travel time at about $6 billion a year.

Why? Because Congress couldn't think of anything better to do. Finally, many years later, the federal establishment got around to decontrolling the price of oil and natural gas, and immediately U.S. oil companies began to drill new wells in hard-to-explore, expensive places.

Today the price of gasoline is coming down—not because of the 55-mph speed limit, but because basic market forces have been allowed to act. Because of high prices, U.S. consumers are consuming less and U.S. oil producers are producing more. There is an oil glut in the world for the moment. The world price of crude oil is falling. OPEC is facing a crisis which may well destroy this greedy cartel.

Hallelujah!

Meanwhile, if you drive over 55 and get caught at it, you're breaking the stupid law. It goes on your driving record. Get caught often enough and your driver's license will be revoked. Your insurance will go up. Your integrity and competence and good citizenship are in question.

As is often the case with laws that don't make sense, motorists are ignoring the speed limit. If you drive 55 on the interstate, you better move to the right to get out of the way or you'll get run over by a

truck going 75. If you're in the fast traffic, just look out for the highway patrol.

The smart operators—including many members of the Mississippi legislature—turn on their radar detectors and head for Jackson.

Contrary to the law's original purpose, its most persuasive defense now is highway safety: Slower highway speeds save lives.

But how fast is too fast? How slow is too slow? If safety were the only consideration, reduce the speed limit to 35. The highways would be even safer.

Barricade them completely. Stop all traffic. We wouldn't have any highway deaths.

I have driven recently in West Germany and in Great Britain. Gas there sells for about double what it costs in this country. West Germany produces no oil of its own. Neither country has a speed limit on its best highways. There's a fast lane in which traffic moves at 80 mph or more.

Here among America's wide open spaces, Congress has us traveling 55. not because the states wanted it, but because Congress tied that speed limit to federal highway revenues that go to the states.

It ought to be changed.●

By Mr. SASSER:

S. 1122. A bill to transfer certain Federal property to the City of Clarksville, the County of Montgomery, and the County of Stewart in Tennessee; to the Committee on Governmental Affairs.

FORT CAMPBELL LAND TRANSFER

● Mr. SASSER. Mr. President, the legislation that I introduce today directs the Administrator of General Services to convey, without consideration, 208 acres of surplus land located at Fort Campbell Military Reservation to the city of Clarksville and the counties of Montgomery and Stewart in Tennessee.

A portion of this acreage has been in continuous use by these local governments for the past 10 years as a solid waste landfill. This is a productive use of the property, which is located 10 miles outside the city of Clarksville. The location of the property insures that there is no negative impact on the agricultural, residential, commercial or industrial neighbors.

This property has no value on the private market. The location is not attractive for residential or commercial development. And its decade of use as a public landfill has not enhanced its attractiveness for private sector development.

There are no sanitary sewers for the property and the use of septic tanks is precluded by 10 years of ground disturbance at the landfill site. There are also periodic Fort Campbell training missions that generate high noise levels in the area.

That is why the use of the property as a sanitary landfill is "the highest and best use" for this acreage.

Further, the retention of this land for the purpose of disposal of solid waste is very important to the local governments which now use it. These governments have already made a substantial investment in developing the site for a landfill use. No other suitable site for solid waste disposal exists in the area. And, even if such acreage were available, the cost of developing it as an alternative site would be prohibitive.

Stewart County in rural northwest Tennessee, for example, has been plagued with unemployment rates as high as 40 percent in recent months. This local government cannot raise the money necessary to buy the current landfill property or to develop a new landfill site.

Statewide, Tennessee's unemployment rate is now just above 13 percent. The public treasuries of the local governments in question just are not overbrimming with funds to spend at this time.

That is why this case has "exceptional merit" for the consideration of the General Services Administration for a discounted or no-cost transfer to these local governments.

According to current law, U.S.C. 40 484(k)(1), the Administrator of GSA could transfer this property, through the Department of Health and Human Services, to these local governments for use in the protection of public health.

However, since President Reagan issued Executive Order 12348 on February 25, 1982, the Federal Property Review Board established by the order has required that any public benefit conveyance be fully justified by evidence that the proposal possesses "exceptional merit" and that the use represents the property's "highest and best use."

Gerald Carmen, the Administrator of the General Services Administration for the Federal Government has used his discretion under this policy and under the current law in a manner that appears to be far from evenhanded. Some properties are approved for conveyance while others are not. I submit, with unanimous consent, the following article from the Washington Post on instances where gratis or discount transfers of Federal properties are being made to certain local governments. I ask that this article be published at this point in the CONGRESSIONAL RECORD.

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

[From the Washington Post]

GSA PLANS GIVEAWAY OF FEDERAL PROPERTIES

(By Myron Struck)

Despite the Reagan administration's ban on making gifts of Uncle Sam's real estate, the General Services Administration says it will try to give away about 150 unwanted federal properties this year instead of continuing efforts to sell them.

The parcels, generally small and with low value, will be made available to state and local governments and nonprofit groups that are supposed to use them for the benefit of the public.

Almost all similar no-cost and discount transfers were suspended last year when the White House ordered the sale of $17 billion worth of federal assets over the next five years to help reduce the national debt.

GSA Administrator Gerald P. Carmen said his realty specialists were spending too much time trying to sell the white elephants. So he ordered an inventory of the less marketable items, with an eye to taking them off the for-sale list and letting his specialists concentrate on selling about 100 high-value parcels worth more than $300 million.

"Our goal is to help the president meet his target, and to do that we have to clean up our inventory," Carmen said. The inventory has been completed but not released.

Gratis and discount transfers will be made through the federal agencies that have traditionally supervised them, such as the Education Department for properties that could be used for schools and colleges, the Interior Department for land that should be used as a national monument or a park, the Health and Human Services Department for property that should be used for clinics, hospitals or water treatment facilities, and the Federal Aviation Administration for property that could be used as an airport.

Since the White House ordered a halt to discount transfers, the GSA has been under the fire from other federal agencies and from groups that have been on the receiving end of the transfers.

Among the critics is Interior Secretary James C. Watt, who told Carmen he was concerned that local governments interested in unneeded federal land for monuments and parks were being shut off. Carmen said he told Watt that the halt in transfers was an "interim" position between two policies.

In the future, he said, all federal agencies involved in transfer programs, including Interior, will be given one crack at unneeded federal lands, both for the discount program and for their own use.

The White House-level Property Review Board already has let down the gate for a couple of government freebies, including a major gift to Houston. President Reagan announced on the campaign trail in Houston last summer that the government would turn over the old Ellington Air Force Base—nearly 2,000 acres and numerous buildings—to the city for use as a general aviation airport.

The review board approved a similar transfer of the old Richards-Gebaur Air Force Base, complete with 180-acre golf course, to Kansas City.

Mr. President. I ask that the text of S. 1122 be printed in the RECORD immediately following these remarks.

This legislation has merit. This transfer of suitable Federal property to these local governments for use in the public benefit should not be held hostage to Executive Order 12348. The efforts of the administration to offset the Federal deficit by the sale of Federal lands is posing an unfair and untenable situation in this case.

All administrative remedies have been exhausted. Legislative action is needed to insure that the local governments in the Clarksville area are fairly treated by the Federal Government.

There being on objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1122.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, the Administrator of General Services shall, for and on behalf of the United states, transfer by quitclaim deed and without consideration, to the City of Clarksville, the County of Montgomery, and the County of Stewart, in Tennessee, the right, title, and interest of the United States in real property located in Montgomery County, Tennessee, within the boundary of the Fort Campbell Military Reservation, and being more particularly described as follows:

Commencing at Fort Campbell Concrete Monument No. "63" which is 220 feet, more or less, West of the centerline of Woodlawn Road and 35 feet, more or less, North of the centerline of the United States Highway No. 79, and at plane coordinate position North 785,383.02 feet and East 1,549,662,.02 feet, based on Tennessee State plan Coordinate System;

Thence N 76°55′ E 45.1 feet to an iron pin in concrete and the point of beginning;

Thence S 13°05′ E 35 feet, more or less, to a point which is in the center of said highway and on the boundary of a tract of land owned by the United States of America at Fort Campbell Military Reservation;

Thence Southwesterly along the centerline of said highway which is along the boundary of said United States tract the following bearings and distances:

S 76° 55′ W 45.1 feet;
S 76° 45′ W 1,665.4 feet;
S 76° 47′ W 829.4 feet;
S 76° 52′ W 1,876.2 feet;
S 76° 52′ W 750.2 feet;
S 77° 08′ W 413.8 feet;

S 76° 54′ W 651.8 feet to a point on a line that bears S 00° 19′ W from an iron pin in concrete which is at coordinate position North 783,977.13 feet and East 1,543,645.64 feet;

Thence N 00° E 35 feet, more or less, to said iron pin in concrete;

Thence continue N 00° 19′ E 2,169.5 feet to said iron pin in concrete;

Thence S 89° 42′ E 6,230.6 feet to an iron pin in concrete;

Thence S 04° 35′ W 562.8 feet to an iron pin in concrete;

Thence Southwesterly along a curve to the right with a radius of 177.82 feet, an arc distance of 224.49 feet, the long chord of which bears S 40° 45′ W 209.9 feet to the point of beginning; containing 208.49 acres, more or less, and being all of Tract 10M-14 and a part of Tracts 10M-11, 10M-15, 10M-16, 10M-17, 10M-19, and 10M-20 of the Fort Campbell Military Reservation.

SEC. 2. Title to any real property acquired by the City of Clarksville, the County of Montgomery, and the County of Stewart, in Tennessee, pursuant to this Act shall revert to and become the property of the United States if such property is used for other than public purposes.●

By Mr. HEFLIN:

S. 1123. A bill to provide for the temporary suspension of the duty on 2-methyl, 4-chlorophenol; to the Committee on Finance.

SUSPENSION OF DUTY ON PCOC

Mr. HEFLIN. Mr. President, I am today introducing legislation to suspend for a 3-year period the duty on 2-methyl, 4-chlorophenol, commonly referred to as PCOC.

PCOC is an intermediate chemical in a somewhat unique situation. The raw ingredient, ortho-cresol, is produced by a domestic firm in Tuscaloosa and then shipped to a subsidiary in England for chlorination. The intermediate product, PCOC, is then returned to Tuscaloosa for use in the final production of two herbicides.

I called the situation unique because there is no other domestic producer of PCOC and yet the tariff rate on PCOC is extremely high—19.4 percent of the value plus a penny a pound produced. This tariff costs the producer approximately $500,000 a year—fully 15 percent of the cost of the final product. As bad as this situation is, the problem does not even stop there. Foreign competitors export the final herbicide products to the United States at lower duty rates—10 percent and 15 percent respectively.

Mr. President, there is something patently wrong with a system that penalizes domestic firms to the advantage of foreign competitors. In times of economic stress, it is unconscionable. It is for this reason I request suspension of the duty. I would seek permanent elimination of the duty if I did not understand and respect the U.S. Trade Representative's need to include such items in GATT negotiations. However, assurances have been given that this particular problem will be considered in the future.

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. 1123

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting in numerical sequence the following new item:

" 907.70	2-Methyl, 4-chlorophenol (provided for in item 403.56, part 18, schedule 4).	Free	No change	On or before 9/30/86. "

(b) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

By Mr. STAFFORD:

S. 1124. A bill to amend title IV of the Social Security Act with respect to the treatment of earned income for purposes of the aid to families with dependent children program, and for other purposes; to the Committee on Finance.

WORK INCENTIVE ACT OF 1983

● Mr. STAFFORD. Mr. President, on May 31, 1982, I met in Montpelier, Vt., with a number of working mothers who recently had lost supplementary welfare benefits for themselves and their children. They are women who work for low wages in the only jobs available to them, and who, until early last year, were eligible for help under the work incentive provisions of the aid to families with dependent children (AFDC) program.

As a result of the 1981 Omnibus Reconciliation Act, there were 711 Vermonters, who lost the incentives to work that were built into the AFDC program. Another 1,500 had their benefits substantially reduced, working severe hardships on themselves and their children.

The Congressional Budget Office estimates that, because of the work disincentive created by the 1981 Reconciliation Amendments, working mothers in 100,000 to 120,000 AFDC families will leave their jobs and go completely on welfare.

I promised the women I met that night that I would begin work on a bill to restore work incentive benefits to our low-income working parents. Last August, I introduced the Work Incentive Act of 1982. Unfortunately, there was not sufficient time for consideration during the last months of the 97th Congress. Today, I am reintroducing the Work Incentive Act.

The AFDC work incentive amendments I am proposing will repeal the 4-month limit on provisions of the AFDC law that require States to disregard certain portions of income when calculating benefits. Under the limit, low-income working parents have lost all or part of their benefits after working for 4 months.

Without those small monthly checks and other benefits such as medicaid, many working parents are unable to meet the needs of their children. Some have stopped working already. Others are facing the hard choice of staying home with their children to regain benefits and ease their families' burdens, or keeping their jobs, while sacrificing such basic necessities as adequate food and medical care.

My amendments will require States to calculate AFDC eligibility according to a formula that will assure that a low-income working parent realized at least a small financial advantage for going out to work.

Specifically, my amendments will allow the amount of earnings used to calculate benefits to be reduced by 20 percent of gross income for working expenses. Monthly child care expenses, up to $160 a month per child, will also be disregarded in determining income.

In addition, the first $50 of monthly income, and one-third of net remaining income will be disregarded in calculating benefits. It is this provision

that will make working at least slightly more profitable than not working.

Last year when I introduced this bill, my office was contacted by a business manager in Vermont who said he has spent 2 years training a young mother who has lost her work incentive support. She needs $150 a month to get by and the business is unable to pay it, so she will be quitting work to go on welfare.

The manager complains that this new form of federalism is counterproductive if he is to pay taxes to support someone who is not working.

I want to point out that, while the bill I am proposing will keep parents such as this one working and ease their financial hardships, it also will solve some of the basic problems that existed before the 1981 changes.

It maintains the cap on gross income, and it calculates the one-third provision on net, rather than gross income. These significantly lower the amount of income a worker can have and still receive benefits.

The result of adopting my amendments will be a law that solves the basic problems the 1981 act was aiming at, while restoring benefits to the neediest of our working families, and most important, restoring the incentive to work.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1124

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 "Work Incentive Act of 1983".

TREATMENT OF EARNINGS

SEC. 2. (a) Section 402(a)(8) of the Social Security Act is amended to read as follows:

"(8) provide that, in making the determination under paragraph (7) with respect to any month, the State agency—

"(A) shall disregard all of the earned income of each dependent child receiving aid to families with dependent children who is (as determined by the State in accordance with standards prescribed by the Secretary) a full-time student, or a part-time student who is not a full-time employee, attending a school, college, or university, or a course of vocational or technical training designed to fit him for gainful employment;

"(B) shall disregard from the total earned income of any child who is claiming aid to families with dependent children, any relative who is claiming such aid, and any other individual (living in the same home as such relative and child) whose needs are taken into account in making such determination, the first $50 of such total earned income for such month;

"(C) shall disregard from the total earned income of the persons specified in subparagraph (B) an amount equal to 20 percent of the total (determined prior to the application of subparagraph (B)) of any amounts received by such persons in such month as wages or salary or as net earnings from self-employment, plus the full amount of any costs incurred by them in producing self-employment income in such month;

"(D) shall disregard from the total earned income of the persons specified in subparagraph (B) an amount equal to the cost of care in such month for a dependent child, or an incapacitated individual living in the same home as the dependent child, receiving aid to families with dependent children and requiring such care for such month, to the extent that such amount does not exceed $160 for any one such child or individual;

"(E) shall disregard from the total earned income of the persons specified in subparagraph (B) a standard amount equal to the average monthly cost of an employee contribution for a group health insurance policy or plan for a family in such State (as determined by the State); and

"(F) shall disregard from the total earned income of the persons specified in subparagraph (B) an amount equal to one-third of the amount of such earned income not already disregarded under subparagraph (B), (C), (D), or (E);

except that if a child who is one of the persons specified in subparagraph (B) is also included under subparagraph (A), no income of such child to which such subparagraph (A) applies shall be taken into account in applying subparagraph (B), (C), (D), (E), or (F); and except that (with respect to any month) the State agency—

"(F) shall not disregard, under subparagraph (B) or (F), any earned income of any one of the persons specified in subparagraph (B) if such person—

"(i) terminated his employment or reduced his earned income without good cause within such period (of not less than thirty days) preceding such month as may be prescribed by the Secretary;

"(ii) refused without good cause, within such period preceding such month as may be prescribed by the Secretary, to accept employment in which he is able to engage which is offered through the public employment offices of the State, or is otherwise offered by an employer if the offer of such employer is determined by the State or local agency administering the State plan, after notification by him, to be a bona fide offer of employment; or

"(iii) failed without good cause to make a timely report (as prescribed by the State plan) to the State agency of earned income received in such month;

"(G) shall not disregard, under subparagraph (B) or (F), any income derived from participation in a project maintained under the programs established by section 432(b)(2) and (3); and

"(H) shall not disregard, under subparagraph (B) or (F), any earned income of any of the persons specified in subparagraph (B) if with respect to such month the income of the persons so specified was in excess of their need as determined by the State agency pursuant to paragraph (7) (without regard to subparagraphs (A), (B), and (F) of this paragraph), unless, for any one of the four months preceding such month, the needs of such person were met by the furnishing of aid under the plan;".

(b) Section 402(a)(17) of such Act is amended by striking out "paragraph (8)(A)(i) or (ii)" in the matter preceding subparagraph (A) and inserting in lieu thereof "paragraph (8)(A) or (B)".

TREATMENT OF EARNED INCOME CREDIT

SEC. 3. Section 402(d)(1) of the Social Security Act is amended to read as follows:

"(1) For purposes of paragraphs (7) and (8) of subsection (a), any refund of Federal income taxes made by reason of section 43 of the Internal Revenue Code of 1954 (relating to earned income credit) and any payment made by an employer under section 3507 of such Code (relating to advance payment of earned income credit) shall be considered earned income.".

EFFECTIVE DATE

SEC. 4. The amendments made by this Act shall become effective on October 1, 1983; except that any of such amendments may, at the option of a State, be made effective in that State on any earlier date (on or after the date of the enactment of this Act) which the State may designate.●

By Mr. HELMS:

S. 1125. A bill to provide for the establishment of individual retirement security accounts; to the Committee on Finance.

INDIVIDUAL RETIREMENT SECURITY ACT OF 1983

● Mr. HELMS. Mr. President, today I am introducing legislation to broaden and strengthen our Nation's social security system and to insure every working American the right to save and invest in a private account for his or her own retirement security.

My bill, the Individual Retirement Security Act of 1983, is identical to title 1 of S. 541, the Social Security Guarantee and Individual Retirement Act of 1983, a comprehensive social security reform bill I introduced this past February. Even though Congress has passed a bailout which purports to help social security meet its financial obligations for a few more years, we must continue to look at alternatives for real reform that will make the system sound.

Americans deserve more than the present bankrupt retirement system. Not until social security's financial crisis made the headlines last year did many working men and women learn how their Government-sponsored retirement system works. I have bushels of letters from individuals who honestly believe their payroll taxes were accumulating in an account here in Washington, awaiting their retirement. They could not believe that social security is little more than a petty cash fund, where tax money collected this week is paid out in benefits next week. And I am sure they were also shocked to learn that their payroll taxes were not enough to pay existing obligations and that even higher taxes would be needed.

I hope Americans will not be lulled into any false sense of security by the recently enacted bailout package. Even if it succeeds in paying the bills until 1990 or so, the prospect of total collapse of the social security system still looms ahead.

Mr. President, the bill I am introducing would offer working men and women an alternative—or should I say a supplement—to the present bankrupt, Government-run retirement system.

My plan would authorize every American worker to establish an "Individual Retirement Security Account" in whatever authorized institution he or she chooses, be it a local bank, credit union, savings and loan association, or whatever. These fiduciaries would be qualified under standards similar to those under Treasury regulations section 1.401-12(n).

This new kind of account would be similar to the IRA accounts most people know about already, but with a big difference. The difference would be that a tax credit, instead of a tax deduction, would be given for deposits in these individual retirement security accounts. A tax credit means a dollar-for-dollar tax writeoff, the kind that means something to the small and medium income taxpayer.

Individuals could contribute to these IRSA's any amounts they choose. For every dollar contributed to an IRSA, the individual would be entitled to claim a 20-cents-on-the-dollar credit against income tax liability, up to a maximum credit of 20 percent of the amount paid that year by the individual to the social security trust fund. To the extent the individual elects to take advantage of the income tax credit, his future pension claims against the common social security trust fund would be reduced according to an actuarial formula. Maximum utilization of the income tax credit each year for 20 years would reduce the individual's OASI claims to zero. Lesser utilization would reduce the trust fund's liabilities proportionately.

Interest, dividends, and capital gains accumulated in the IRSA account would be tax exempt, and annuities and withdrawals from it upon retirement anytime after age 62 would be tax free. Funds held in an IRSA account could be used tax free by a worker before age 62 to acquire life insurance, health insurance, or disability insurance. The individual could participate with his fiduciary in managing the IRSA account as a fully funded individual retirement program.

For the first 10 years after enactment, an individual could set up an individual retirement security account and receive tax credits. Then, starting in 1994, there would begin a phased transfer in which employers and employees would be required to pay part of their social security taxes to the respective worker's individual retirement security account instead of to the Federal Government. As more of the individual's and employer's taxes go to the worker's IRSA, less would be paid to the common OASI trust fund to pay benefits for a declining number of social security beneficiaries.

By the year 2004 the phased transfer would be complete, and all payroll tax payments would be made to employees' IRSA's. Tax credits would be available between 1994 and 2004 for amounts invested in an IRSA above the amount deposited by employees and employers via the FICA deduction. The credit would phase to zero as the OASI component of the FICA deduction phased to zero by the year 2004.

I asked experts to estimate the amount of money that would be saved and invested in the private sector as gradually increasing percentages of the population began to participate in IRSA's. For example, if only 38 percent of our Nation's workers elect to establish IRSA's during the next 10 years, a whopping $271,401 million will have been invested. Think what this new supply of savings could do for our economy.

The following table provides a breakdown of the experts' estimates:

ESTIMATED IRSA PARTICIPATION AND INVESTMENT

[Dollar amounts in billions]

Year	Participation rate in IRSA's	Amount invested
1984	0.01	$0.894
1985	.03	3.072
1986	.07	7.802
1987	.10	12.050
1988	.13	16.926
1989	.16	22.432
1990	.19	31.037
1991	.24	42.288
1992	.30	57.000
1993	.38	77.900
Total		271.401

OASI liabilities would shrink as participation in IRSA's increased. By the year 2045, according to my projections, residual OASI liabilities would be reduced to zero.

The following chart shows projected OASI and IRSA participation and fiscal impact through the year 2050:

PROJECTED OASI AND IRSA PARTICIPATION AND FISCAL IMPACT [1]

[Thousands of individuals]

Year	FICA covered workers	OASI annuitants	IRSA annuitants	OASI cost (percent of payroll)
1982	115,308	31,483	0	10.42
1985	123,300	33,106	0	10.32
1990	132,410	63,428	33	9.87
1995	137,644	83,403	53	8.29
2000	142,248	39,814	4,460	7.14
2005	146,798	41,725	16,897	6.46
2010	149,515	45,359	32,218	4.92
2015	150,148	51,048	51,048	2.51
2020	149,873	57,753	57,753	1.22
2025	150,205	64,500	64,542	.79
2030	151,750	45,323	68,234	.46
2035	153,889	16,873	71,277	.03
2040	156,015	997	71,440	0
2045	157,777	0	71,824	0
2050	159,545	0	73,034	0

[1] Alternative II-B assumptions; source of data for covered workers, OASI annuitants. 1982 Trustees Report. IRSA participation rate, 1984-93 assumed 20 percent of covered workers with 50 percent retiring by 1995: increased in IRSA covegrate and defense in OASI coverage computed by applying smoothed exponential decline rate/growth rate curve to population data with parameters as given in Helms proposal (universal IRS coverage in 1994 with maximum coverage in 2004; no new OASI retirees after 2024).

OAS cost is percent of taxable payroll (Alt. II-B) adjusted for computed decline rate on OASI benefit claims. 1994-2040.

Taxable payrolls was not adjusted for economic growth and increase in real wages that would be expected from increased savings rate and capital formation as retirement income source shifts from transfer payment via OASI tax on payrolls to annuity withdrawals by individuals from IRSA account. By 1995 this impact on real GNP and real wages would be significant further reducing the percentage ot taxable payroll represented above as OASI cost.

Mr. President, I believe in incremental success. The Congress recently adopted 10 of 20 sections of my original reform bill, S. 541. The Senate has asked the Department of Treasury to conduct a comprehensive study of the private retirement accounts I am proposing and report its findings to the Senate Finance Committee. Certainly, progress is being made.

One day, Mr. President, Congress will be obliged to adopt a retirement system along the lines of my proposal to replace the wornout Government-run system we have now. My hope is that prudent steps will be taken now to facilitate a smooth, gradual transition that will not jeopardize a penny of benefits.

I ask unanimous consent that the text of my bill be printed at the conclusion of my remarks.

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

S. 1125

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 "Individual Retirement Security Act of 1983".

ESTABLISHMENT OF INDIVIDUAL RETIREMENT SECURITY ACCOUNTS

SECTION 1. Title II of the Social Security Act is amended by adding at the end thereof the following new section:

"ESTABLISHMENT OF INDIVIDUAL RETIREMENT SECURITY ACCOUNTS

"SEC. 234. (a) After December 31, 1993, the Secretary of Health and Human Services and the Secretary of the Treasury shall establish for individual—

"(1) upon whom section 1401(a) or 3101 of the Internal Revenue Code of 1954 imposes a tax, and

"(2) who does not have an individual retirement security account with a qualifed fiduciary pursuant to section 130(d)(1)(A)(i) of the Internal Revenue Code of 1954,

an individual retirement security account, to be maintained in the Treasury as a separate book account.

"(b)(1) The Secretary of the Treasury shall pay into the individual retirement security account established under subsection (a) or under section 130(c)(1)(A)(i) of the Internal Revenue Code of 1954 with respect to such individual an amount equal to the amount of taxes paid with respect to the wages and self-employment income of such individual under sections 1401(d), 3101(e), and 3111(d) of the Internal Revenue Code of 1954.

"(2) The Secretary shall pay such amounts into such account within 30 days of the date of which such taxes are paid.

"(c) An individual may contribute to such account amounts other than the amounts contributed to such account on his behalf by the Secretary of the Treasury under subsection (b).

"(d) The Secretary of the Treasury shall invest amounts deposited in individual retirement security accounts in obligations of the Unites States, and amounts so invested

shall earn interest in accordance with the terms of such obligations.

"(e) Amounts deposited in an individual retirement security account established with respect to an individual under subsection (a) may be withdrawn before such individual attains age 62 only if—

"(1) the amount withdrawn from such account is used for a purpose described in section 130(a)(2)(B) of the Internal Revenue Code of 1954, or

"(2) the amount withdrawn from such account is deposited immediately in an individual retirement security account established by such indivdual with a qualified fiduciary (as defined in section 130(c)(2) of the Internal Revenue Code of 1954).

"(f) The interest of an individual in the balance of an individual retirement security account established with respect to such individual pursuant to subsection (a) shall not be forfeitable.".

TAX CREDIT FOR AMOUNTS CONTRIBUTED TO INDIVIDUAL RETIREMENT SECURITY ACCOUNT

SEC. 2. (a) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable against tax) is amended by inserting after section 44G the following new section:

"SEC. 44H. CONTRIBUTIONS TO INDIVIDUAL RETIREMENT SECURITY ACCOUNT.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 20 percent of the amounts contributed by the taxpayer to an individual retirement security account of the taxpayer during the taxable year (other than amounts paid into such account on behalf of such individual under section 234(b) of the Social Security Act).

"(b) LIMITATION.—The amount of any contributions taken into account under subsection (a) shall not exceed the amount of taxes paid by the taxpayer to the Federal Old Age and Survivors Insurance Trust Fund under section 3101 for the taxable year.

"(c) INDIVIDUAL RETIREMENT SECURITY ACCOUNT.—For purposes of this section, "the term 'individual retirement security account' shall have the meaning given to such term by section 130(c)(1).".

(b)(1) Subsection (b) of section 6401 of such Code (relating to excessive credit is treated as overpayments) is amended—

(A) by striking out "and 43 (relating to earned income credit)," and inserting in lieu thereof "43 (relating to earned income credit), and 44H (relating to contributions to individual retirement security account).", and

(B) by striking out "39 and 43" and inserting in lieu thereof "39, 43, and 44".

(2) Paragraph (2) of section 55(f) of such Code (defining regular tax) is amended by striking out "39 and 43" and inserting in lieu thereof "39, 43, and 44H".

(c) In prescribing the forms by which any individual liable for any tax imposed by subtitle A of the Internal Revenue Code of 1954 shall make a return for taxable years beginning after December 31, 1983, the Secretary of the Treasury shall ensure that any such individual who is eligible for a credit under section 44H of such Code may claim the credit allowable under such section on any such form.

(d) The Table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting before the item relating to section 45 the following new item:

"Sec. 44H. Contributions to individual retirement security account.".

(e) The amendments made by this section shall apply to taxable years beginning after December 21, 1983, and before January 1, 2004.

EXCLUSION FROM GROSS INCOME OF INCOME EARNED ON AMOUNTS CONTRIBUTED TO INDIVIDUAL RETIREMENT SECURITY ACCOUNT

SEC. 3. (a) Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 130 as section 131 and by inserting after section 129 the following new section:

"SEC. 130. INCOME FROM INDIVIDUAL RETIREMENT SECURITY ACCOUNT.

"(a) IN GENERAL.—Gross income does not include income which—

"(1) accrues on amounts contributed to an individual retirement security account, and

"(2)(A) remains in such account until the taxpayer attains age 62, or

"(B) is withdrawn from such account before the taxpayer attains age 62 for the purchase of life insurance, health insurance, or disability insurance for the taxpayer.

"(b) ACCOUNT EXEMPT FROM TAX.—Any individual retirement security account is exempt from taxation under this subtitle.

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

"(1) INDIVIDUAL RETIREMENT SECURITY ACCOUNT.—The term 'individual retirement security account' means an account—

"(A) which is established by—

"(i) the taxpayer with a qualified fiduciary, or

"(ii) the Secretary of Health and Human Services and the Secretary of the Treasury on behalf of the taxpayer pursuant to section 234 of the Social Security Act;

"(B) which by written agreement or applicable law provides that—

"(i) amounts may be withdrawn therefrom before the taxpayer attains age 62 only for the purposes specified in subsection (a)(2)(B), and

"(ii) the interest of the taxpayer in the balance of his account is not forfeitable; and

"(C) to which—

"(i) the taxpayer makes contributions,

"(ii) contributions are made on behalf of the taxpayer pursuant to section 3101(e), 3111(d), or 1401(d), or

"(iii) contributions are made in the manner described in both clause (i) and clause (ii);

in order to ensure the taxpayer an adequate retirement income upon attaining age 62.

"(2) QUALIFIED FIDUCIARY.—The term 'qualified fiduciary' means a bank or other person who demonstrates to the satisfaction of the Secretary that the manner in which he will administer the account will be consistent with the requirements of this section. An account shall not be disqualified under this paragraph merely because a person other than the fiduciary so administering the account may be granted, in the instrument creating the account, the power to control the investment of the account funds either by directing investments (including reinvestments, disposals, and exchanges) or by disapproving proposed investments (including reinvestments, disposals, and exchanges).".

(b) The amendments made by this section shall apply to taxable years beginning after December 31, 1983.

REDUCTION OF OASI TAX AND ESTABLISHMENT OF MANDATORY IRSA CONTRIBUTIONS

SEC. 4. (a)(1) Section 3101(a) of the Internal Revenue Code of 1954 (relating to rate of tax on employees) is amended by striking out all after "3121(b))—" and inserting in lieu thereof the following:

"(1) with respect to wages received during the calendar years 1982 through 1993, the rate shall be 5.40 percent;

"(2) with respect to wages received during the calendar year 1994, the rate shall be 4.975 percent;

"(3) with respect to wages received during the calendar year 1995, the rate shall be 4.2 percent;

"(4) with respect to wages received during the calendar year 1996, the rate shall be 4.145 percent;

"(5) with respect to wages received during the calendar year 1997, the rate shall be 3.73 percent;

"(6) with respect to wages received during the calendar year 1998, the rate shall be 3.315 percent;

"(7) with respect to wages received during the calendar year 1999, the rate shall be 2.9 percent;

"(8) with respect to wages received during the calendar year 2000, the rate shall be 2.485 percent;

"(9) with respect to wages received during the calendar year 2001, the rate shall be 2.07 percent;

"(10) with respect to wages received during the calendar year 2002, the rate shall be 1.655 percent;

"(11) with respect to wages received during the calendar year 2003, the rate shall be 1.24 percent;

"(12) with respect to wages received during the calendar year 2003, the rate shall be 0.825 percent.".

(2) Section 3111 (a) of such Code (relating to rate of tax on employers) is amended by striking out all after "3121(b))—" and inserting in lieu thereof the following:

"(1) with respect to wages paid during the calendar years 1982 through 1983, the rate shall be 5.40 percent;

"(2) with respect to wages paid during the calendar year 1994, the rate shall be 4.975 percent;

"(3) with respect to wages paid during the calendar year 1995, the rate shall be 4.2 percent;

"(4) with respect to wages paid during the calendar year 1996, the rate shall be 4.145 percent;

"(5) with respect to wages paid during the calendar year 1997, the rate shall be 3.73 percent;

"(6) with respect to wages paid during the calendar year 1998, the rate shall be 3.315 percent;

"(7) with respect to wages paid during the calendar year 1999, the rate shall be 2.9 percent;

"(8) with respect to wages paid during the calendar year 2000, the rate shall be 2.485 percent;

"(9) with respect to wages paid during the calendar year 2001, the rate shall be 2.07 percent;

"(10) with respect to wages paid during the calendar year 2002, the rate shall be 1.655 percent;

"(11) with respect to wages paid during the calendar year 2003, the rate shall be 1.24 percent; and

"(12) with respect to wages paid during the calendar year 2003, the rate shall be 0.825 percent.".

(3) Section 1401(e) of such Code (relating to rate of tax on self-employment income) is amended by striking out all after "taxable year" the second place it appears and inserting in lieu thereof the following:

"(1) in the case of any taxable year beginning after December 31, 1981 and before January 1, 1994, the tax shall be equal to 8.05 percent of the amount of self-employment income for such taxable year;

"(2) in the case of any taxable year beginning after December 31, 1993 and before January 1, 1995, the tax shall be equal to 7.4625 percent of the amount of self-employment income for such taxable year;

"(3) in the case of any taxable year beginning after December 31, 1994 and before January 1, 1996, the tax shall be equal to 6.3 percent of the amount of self-employment income for such taxable year;

"(4) in the case of any taxable year beginning after December 31, 1995 and before January 1, 1997, the tax shall be equal to 6.2175 percent of the amount of self-employment income for such taxable year;

"(5) in the case of any taxable year beginning after December 31, 1996 and before January 1, 1998, the tax shall be equal to 5.595 percent of the amount of self-employment income for such taxable year;

"(6) in the case of any taxable year beginning after December 31, 1997 and before January 1, 1999, the tax shall be equal to 4.9725 percent of the amount of self-employment income for such taxable year;

"(7) in the case of any taxable year beginning after December 31, 1998 and before January 1, 2000, the tax shall be equal to 4.35 percent of the amount of self-employment income for such taxable year;

"(8) in the case of any taxable year beginning after December 31, 1999 and before January 1, 2001, the tax shall be equal to 3.7275 percent of the amount of the self-employment income for such taxable year;

"(9) in the case of any taxable year beginning after December 31, 2000 and before January 1, 2002, the tax shall be equal to 3.105 percent of the amount of the self-employment income for such taxable year;

"(10) in the case of any taxable year beginning after December 31, 2001 and before January 1, 2003, the tax shall be equal to 2.4825 percent of the amount of the self-employment income for such taxable year;

"(11) in the case of any taxable year beginning after December 31, 2002 and before January 1, 2004, the tax shall be equal to 1.86 percent of the amount of the self-employment income for such taxable year; and

"(12) in the case of any taxable year beginning after December 31, 2003, the tax shall be equal to 1.2375 percent of the amount of the self-employment income for such taxable year.".

(b)(1) Section 201(b)(1) of the Social Security Act is amended by striking out all beginning with "and before January 1, 1983" through "December 31, 1989,".

(2) Section 201(b)(2) of such Act is amended by striking out all beginning with "and before January 1, 1983" through "December 31, 1989,".

(c)(1) Section 3101 of the Internal Revenue Code of 1954 (relating to rate of tax on employees) is amended by adding at the end thereof the following new subsection:

"(e) INDIVIDUAL RETIREMENT SECURITY ACCOUNT.—In addition to other taxes, a mandatory contribution shall be made from the income of every individual to the IRSA account of such individual in an amount equal to the following percentages of the wages (as defined in section 3121(a)) received by him with respect to employment (as defined in section 3121(b))—

"(1) with respect to wages received during the calendar year 1994, the rate shall be 0.425 percent;

"(2) with respect to wages received during the calendar year 1995, the rate shall be 1.2 percent;

"(3) with respect to wages received during the calendar year 1996, the rate shall be 1.615 percent;

"(4) with respect to wages received during the calendar year 1997, the rate shall be 2.030 percent;

"(5) with respect to wages received during the calendar year 1998, the rate shall be 2.445 percent;

"(6) with respect to wages received during the calendar year 1999, the rate shall be 2.860 percent;

"(7) with respect to wages received during the calendar year 2000, the rate shall be 3.273 percent;

"(8) with respect to wages received during the calendar year 2001, the rate shall be 3.690 percent;

"(9) with respect to wages received during the calendar year 2002, the rate shall be 4.105 percent;

"(10) with respect to wages received during the calendar year 2003, the rate shall be 4.520 percent; and

"(11) with respect to wages received during calendar years after 2003, the rate shall be 4.575 percent.".

(2) Section 3111 of such Code is amended by adding at the end thereof the following new subsection:

"(d) INDIVIDUAL RETIREMENT SECURITY ACCOUNT.—In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to the following percentages of the wages (as defined in section 3121 (a) and (f)) paid by him with respect to employment (as defined in section 3121(b))—

"(1) with respect to wages paid during the calendar year 1994, the rate shall be 0.425 percent;

"(2) with respect to wages paid during the calendar year 1995, the rate shall be 1.2 percent;

"(3) with respect to wages paid during the calendar year 1996, the rate shall be 1.615 percent;

"(4) with respect to wages paid during the calendar year 1997, the rate shall be 2.030 percent;

"(5) with respect to wages paid during the calendar year 1998, the rate shall be 2.445 percent;

"(6) with respect to wages paid during the calendar year 1999, the rate shall be 2.860 percent;

"(7) with respect to wages paid during the calendar year 2000, the rate shall be 3.275 percent;

"(8) with respect to wages paid during the calendar year 2001, the rate shall be 3.690 percent;

"(9) with respect to wages paid during the calendar year 2002, the rate shall be 4.105 percent;

"(10) with respect to wages paid during the calendar year 2003, the rate shall be 4.520 percent; and

"(11) with respect to wages paid during the calendar years after 2003, the rate shall be 4.575 percent.".

(3) Section 1401 of such Code is amended by adding at the end thereof the following new subsection:

"(d) INDIVIDUAL RETIREMENT SECURITY ACCOUNT.—In addition to other taxes, there shall be made for each taxable year, from the self-employment income of every individual, a mandatory contribution to the IRSA account of such individual as follows:

"(1) in the case of any taxable year beginning after December 31, 1993, and before January 1, 1995, the contribution shall be equal to 0.6375 percent of the amount of the self-employment income for such taxable year;

"(2) in the case of any taxable year beginning after December 31, 1994, and before January 1, 1996, the contribution shall be equal to 1.8 percent of the amount of the self-employment income for such taxable year;

"(3) in the case of any taxable year beginning after December 31, 1995, and before January 1, 1997, the contribution shall be equal to 2.4225 percent of the amount of the self-employment income for such taxable year;

"(4) in the case of any taxable year beginning after December 31, 1996, and before January 1, 1998, the contribution shall be equal to 3.045 percent of the amount of the self-employment income for such taxable year;

"(5) in the case of any taxable year beginning after December 31, 1997, and before January 1, 1999, the contribution shall be equal to 3.6675 percent of the amount of the self-employment income for such taxable year;

"(6) in the case of any taxable year beginning after December 31, 1998, and before January 1, 2000, the contribution shall be equal to 4.29 percent of the amount of the self-employment income for such taxable year;

"(7) in the case of any taxable year beginning after December 31, 1999, and before January 1, 2001, the contribution shall be equal to 4.9125 percent of the amount of the self-employment income for such taxable year;

"(8) in the case of any taxable year beginning after December 31, 2000, and before January 1, 2002, the contribution shall be equal to 5.535 percent of the amount of the self-employment income for such taxable year;

"(9) in the case of any taxable year beginning after December 31, 2001, and before January 1, 2003, the contribution shall be equal to 6.1575 percent of the amount of the self-employment income for such taxable year;

"(10) in the case of any taxable year beginning after December 31, 2002, and before January 1, 2004, the contribution shall be equal to 6.75 percent of the amount of the self-employment income for such taxable year;

"(11) in the case of any taxable year beginning after December 31, 2003, the contribution shall be equal to 6.8625 percent of the amount of the self-employment income for such taxable year.".

CHANGE IN PRIMARY INSURANCE AMOUNT TO REFLECT REDUCTION IN OASI TAX

SEC. 5. Section 215 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(j)(1) For purposes of determining old-age and survivors insurance benefits based upon the wages and self-employment income of an individual with respect to whom contributions are made to an individual security retirement account, such primary insurance amount shall be reduced by an amount that bears the same ratio to such primary insurance amount (as determined

without regard to this subsection) as the IRSA offset amount determined with respect to such individual bears to the present value of the OASI annuity amount determined with respect to such individual.

"(2) For purposes of this subsection—

"(A) The term 'individual retirement security account' shall have the meaning given to such term in section 130(c)(1) of the Internal Revenue Code of 1954.

"(B) The term 'IRSA offset amount' means, with respect to an individual described in paragraph (1), an amount equal to the sum of—

"(i) amounts—

"(I) contributed by such individual to the individual retirement security account established with respect to such individual, and

"(II) taken into account for purposes of determining a credit allowed to such individual under section 44H of the Internal Revenue Code of 1954,

(compounded, for the period beginning with the date on which the return in which such credit was claimed was required to be filed and ending with the date on which such individual retires, by the social security yield rate determined with respect to such individual); and

"(ii) amounts paid to the individual retirement security account of such individual under sections 1401(d), 1301(e), and 1311(d) of the Internal Revenue Code of 1954 (compounded, for the periods beginning with the date on which such amount was paid into such account and ending with the date on which such individual retires, by the social security yield rate determined with respect to such individual);

"(C)(i) The term 'present value of OASI benefit annuity amount' means an amount that would, if invested at a rate of interest equal to the rate of interest payable on United States Treasury bills at the beginning of the period of entitlement determined with respect to the wages and self-employment income of an individual, produce by the end of such period of entitlement, an amount equal to the amount of benefits which would be payable under section 202 on the basis of such wages and self-employment income (but for the application of paragraph (1)) for such period of entitlement.

"(ii) In determining the amount of benefits which would be payable for the period of entitlement determined with respect to the wages and self-employment income of an individual, the rate of the cost-of-living increase under subsection (1) for the cost-of-living computation quarter immediately preceding the beginning of such period of entitlement shall be assumed to apply to each base quarter in such period of entitlement.

"(D) The term 'period of entitlement' means, with respect to the wages and self-employment income of an individual described in paragraph (1), the period beginning with the date on which such individual retires and ending with the date on which such individual would attain the expectation of life (determined in accordance with the official life table and in accordance with the applicable provisions of this Act as in effect on the first day of such period).

"(E) The term 'social security yield rate' means, with respect to an individual described in paragraph (1), the rate of yield that, if earned on the OASI tax amount determined with respect to such individual, for the period beginning with the date on which such taxes were paid and ending with the date on which such individual retires, would produce an amount equal to the present value of the OASI benefit annuity amount determined with respect to such individual.

"(F) The term 'OASI tax amount' means with respect to an individual described in paragraph (1), the amount of taxes paid to the Federal Old-Age and Survivors Insurance Trust Fund with respect to such individual under sections 3101(a), 3111(a), and 1401(a) of the Internal Revenue Code of 1954 during the 80 highest quarters of coverage for such individual.

"(G) The term 'cost-of-living computation quarter' shall have the meaning given to such term in subsection (i)(1)(B).

"(H) The term 'base quarter' shall have the meaning given to such term in subsection (i)(1)(A).

"(I) The term 'quarter of coverage' shall have the meaning given to such term in section 213(a)(2).

"(J) The term 'official life table' means the life table for total persons in the United States that is prepared decennially by the National Center for Health Statistics for the 3-year period centering around the year of the decennial population census.".●

By Mr. METZENBAUM (for himself, Mr. HEINZ, Mr. CRANSTON, Mr. DURENBERGER, Mr. LEVIN, Mr. COCHRAN, Mr. SPECTER, Mr. PRESSLER, Mr. GORTON, Mr. KENNEDY, Mr. MOYNIHAN, and Mr. EXON):

S. 1127. A bill to amend the Arts and Artifacts Indemnity Act to facilitate the indemnification of works of art by Americans exhibited outside the United States; to the Committee on Labor and Human Resources.

INDEMNIFICATION OF ART WORKS EXHIBITED OUTSIDE THE UNITED STATES

Mr. METZENBAUM. Mr. President, one of the most important steps ever taken to facilitate the international cultural exchange of works of art was the passage of the Arts and Artifacts Indemnity Act in 1975. I support the law but unfortunately it discriminates unfairly and unnecessarily against American artists, American art work, and American museums which would like to send exhibits to foreign museums. Today I am offering legislation to amend the act to put American works of art on an equal footing with works from other countries. The bill, if enacted into law, will promote the international display of works by America's great artists.

Current law authorizes the Federal Government to insure the value of works of art, rare documents and books, films and photographs, when these are borrowed from abroad and on exhibition in the United States. But the law severely limits according this same protection to American works of art. It requires that to be so protected, American exhibits traveling abroad must be part of an exchange exhibition, organized with another country.

It further restricts American exhibitions by prohibiting indemnification for both halves of the exchange.

So an American exhibit is twice the object of restrictive provisions under the statute: It must be part of an exchange, and its exchange partner cannot receive indemnification assistance.

The result of this restrictive and discriminatory requirement has been that works of American art, by American artists of every period, have received far less assistance under this program than works of foreign art. In the last 7 years this program indemnified a total of 117 exhibits from foreign countries, but only 8 exhibits from this country.

These shows and exhibitions are valuable and expensive to insure under ordinary non-Government procedures. When Government indemnification is withheld, the exhibits cannot travel extensively. It oftentimes means that they will never be accorded international recognition. It is a fact that this unfair discrimination against American art has severely inhibited its traveling to other nations. This barrier to cultural exchange is harmful to international cultural understanding, harmful to America's arts and her artists and museums.

This discrimination is unnecessary. There is simply no reason to require American artists and art works to conform to a stricter standard, than the standard applied to, for example, works of French or Japanese art. Most importantly, this restriction is not in keeping with the spirit of international cultural exchange.

Mr. President, our bill—I am happy to have the support of my distinguished colleagues, Senators HEINZ, CRANSTON, DURENBERGER, LEVIN, EXON, COCHRAN, SPECTER, PRESSLER, KENNEDY, MOYNIHAN, and GORTON as cosponsors—simply deletes the current law requirement that American art be eligible for indemnification only when it is part of a formal exchange program. This would allow American art to be treated equally with the art of any other nation on its own merits, not as part of a package arrangement. And this legislation deletes the prohibition against insuring both halves of an exchange.

I believe that this would be fairer to our artists, that it would certainly promote a deeper understanding of American culture in other nations, and that this simple change in the law would be very much in the spirit of promoting international cultural understanding.

Finally, there is no cost associated with this amendment. The indemnification program has been virtually cost free since its inception, and this modification in coverage would not entail any additional authorizations above current law.

I urge my colleagues to support this improvement in the law.

By Mr. LEAHY (for himself, Mr. ANDREWS, Mr. BAUCUS, Mr. CHAFEE, Mr. CRANSTON, Mr. D'AMATO, Mr. HART, Mrs. HAWKINS, Mr. HUDDLESTON, Mr. MITCHELL, Mr. SASSER, Mr. STAFFORD, and Mr. ZORINSKY):

S. 1128. A bill entitled the "Agricultural Productivity Act of 1983"; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURE PRODUCTIVITY ACT OF 1983

● Mr. LEAHY. Mr. President, the American farmer faces an uncertain future. Tried and true farm programs are in disarray, production costs continue to rise, soil erosion is increasing at an alarming rate, and farm incomes continue to decline.

The U.S. Department of Agriculture (USDA) has taken a series of steps to alleviate some of the current pressures facing the farmer and his land.

The payment-in-kind program is designed to improve farm income and reduce grain surpluses. The Department is actively seeking new export markets as well.

While better prices and larger markets will improve the situation, production costs on the farm remain staggering. Farm debt passed the $200 billion last year. Farmers are planting fence row to fence row just to stay even.

Marginal lands are broken up and planted, while soil conservation and crop rotation practices are ignored as too costly in the shortrun.

In the longrun, however, we will all pay if the pressures of onfarm costs are not relieved.

Many farmers are interested in technical advice about farming systems that will help them cut these production costs, conserve water and energy, and ease their soil erosion problems.

Mr. President, today, I am introducing legislation with 12 of my colleagues which will begin important basic research on farming systems which do not rely soley on costly chemical inputs, but rather on biological control of weeds and pests, crop rotations, and the use of intercropping to strengthen soils.

The Agricultural Productivity Act of 1983 contains provisions designed to improve our knowledge about the feasibility of these farming systems.

Congress has spoken twice on the need for this type of legislation. In the 1977 farm bill, Members of this body and the House of Representatives directed USDA to investigate and analyze low-energy agricultural techniques.

Three years later, the Department published their report. It examined the use of manures and crop residues to improve soil fertility and strength. It also examined a series of new methods of fertilization, soil conservation, and enhanced crop production.

USDA concluded that even a partial shift away from energy intensive farming practices would go a longway toward helping the farmer improve his operation.

In the 1981 farm bill, Congress spoke again on this matter. Again, we urged the USDA to carry out research necessary to determine the practicality of these methods.

USDA's own internal advisers have been making this same point for several years. In 1983, the Agricultural Research Service proposed its 6-year program plan. In the plan ARS advocates the development of farming systems "characterized by less costly methods and by technologies that are safe, sustainable, and environmentally sound."

The plan recommended innovative research "to reduce farm production costs while maintaining a high level of sustainable productivity through the development of efficient and diversified crop and animal production systems" and "to insure conservation of our natural resources."

To date, USDA has produced one study, and will spend just $13,000 on these promising farming methods. The total USDA research budget this year will be well over $1 billion.

Mr. President, the Agricultural Productivity Act provides the tools necessary to insure that the research that Congress and others have been calling for is done adequately and properly.

It would establish 12 onfarm pilot research projects. Each of the farms would be studied over a 5-year period as they made the transition from energy and chemical intensive farming to systems which rely less on petroleum based inputs.

Study subjects would include changes in soil profile, crop yields, energy and water usage, farmer income, and other factors important to the American farmer.

Twelve additional projects would take place over the same time period. This group of farms, already employing low-energy techniques, would serve as a comparison for the transition farms as well as a measure of the feasibility of such farming systems over the long term.

The farms would be located in a manner which would take advantage of the widest possible variety in soil and climatic conditions.

Dairy farms, crop and livestock farms, row crop farms, and fruit and vegetable operations would all be examined.

These on farm studies will provide farmers and others with the kind of practical demonstrations necessary to determine the practicability of such operations.

The bill also establishes a program to assist farmers who utilize intercropping systems to establish vegetative cover that improve nitrogen fixation and control soil erosion. Intercropping is the practice of planting legumes, grasses, or other soil conserving crops between rows of such crops as wheat, corn, or soybeans.

Finally, the bill directs the Secretary of Agriculture to make an inventory of existing research and extension materials, and recommend new research that may help farmers, achieve a better understanding of these innovative farming methods.

Mr. President, the costs of this effort would be minimal and the benefits to American agriculture, the consumer, and the environment could be substantial.

I urge my colleagues to join with us in this positive effort to open new, self-sufficient opportunities for our farmers.

This legislation has been endorsed by the National Farmers Union, the National Farmers Organization, the National Grange, and the National Association of Conservation Districts.●

● Mr. D'AMATO. Mr. President, I rise to cosponsor the enlightened legislation offered by my distinguished colleague from Vermont, the Agriculture Productivity Act of 1983. This legislation is important for many reasons. While it is not an expensive proposal, it holds forth the promise of greatly improved performance in many areas of great concern to both our agricultural community and the Nation as a whole.

The farming interests in this Nation have been disproportionately affected by the rise in the cost of energy during the last decade. Farming is an energy-intensive occupation and the continued viability of American agriculture is dependent upon making the adjustments necessary to insure that farmers can effectively operate in an era of increasingly expensive energy. The pilot programs that would be created by this legislation may produce farming techniques which will help alleviate this problem.

This legislation will also aid our agricultural research efforts in other ways. The heavy use of pesticides by farmers is one of the causes of the growing concern over ground water contamination. Research must be started which will lead us to less damaging methods of cultivation. Our limited soil and water resources would also be protected by the adoption of the farming methods studied in these pilot programs. This would be done by evaluating various practices which offer the hope of proving themselves both cost efficient and effective. The research begun under the auspices of this legislation must be undertaken now if we are to avoid the potential long-term shocks that the aforementioned problems may cause. I urge my colleagues to swiftly adopt this vital and timely legislation.●

By Mr. HATCH (for himself and Mr. DENTON):

S. 1129. A bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, and for other purposes; to the Committee on Labor and Human Resources

COMMUNITY VOLUNTEER SERVICE ACT OF 1983

Mr. HATCH. Mr. President, today I am introducing a "Volunteerism Initiative" on behalf of myself and my distinguished colleague, Senator DENTON. The purpose of this initiative is to emphasize the vital contributions of volunteerism to individuals and communities. We applaud the current private and public efforts which utilize the skills and generosity of those citizens and private enterprises who so willingly volunteer. The time and resources they donate are a significant part of meeting a variety of needs in communities across the country. Yet, their efforts are just a beginning to what can be and must be done.

As part of the "Volunteerism Initiative," we are introducing three bills together: The Community Volunteer Service Act of 1983; Senator Denton's National Year of Volunteerism, of which I am a cosponsor; and the administration's Domestic Volunteer Service Act Amendments of 1983, on request. Senator DENTON is cosponsoring the two Volunteer Service Act bills.

The Community Volunteer Service Act of 1983 will reauthorize the volunteer programs administered by the ACTION Agency. The programs include Retired Senior Volunteer Program (RSVP), Foster Grandparents Program (FGP), Senior Companion Program (SCP), Volunteers in Service to America (VISTA), Service-Learning, and Young Volunteers in ACTION (YVA). The purpose of these programs is to provide a focal point for volunteerism at the Federal, State, and local levels. These programs generate a strong cost-effective volunteer effort.

In my home State of Utah, under the Older Americans part of the act, there are 2,700 volunteers who have contributed over 700,000 hours to help the elderly, handicapped, and disadvantaged children, low-income families, homebound elderly, hospitalized, and many other groups. An example of the benefits of volunteerism is the VISTA program in Salt Lake City, which is helping Indochinese refugees learn English, and to become productive, contributing citizens. As I have talked to the volunteers, I have been impressed with their expressions of a sense of worth, identity, and being needed by the community because of their volunteer service. Many of the volunteers are over 60 years of age and have years of experience, love, and patience to contribute.

Mr. President, the bill will continue these important programs for 3 years as well as increase the capacity to provide additional home health care services. Most States currently have only one or two Senior Companion programs which assist in providing care and assistance to the elderly in their homes. The increase in the funding for the Senior Companion Program would allow at least one more program in each State and provide training for the volunteers as home health aides, providers of homemaking services and in case-management to provide initial needs assessments of the recipients of the volunteer service. The bill would encourage the use of non-stipended volunteer trainers who, on the basis of experience, would train the Senior Companion volunteers. There is also a provision for experienced Senior Companion Program volunteers to spend time training new volunteers in addition to their regular assignment.

It is estimated by the year 2000, there will be a 35-percent increase in the number of citizens 65 years of age and older. This fact needs to be a consideration in the expansion of the Older American Volunteer programs.

It is my desire that the bill is an avenue to provide cost-effective volunteer programs where there is a need. I will continue to carefully evaluate the data and information to insure the bill accomplishes this goal.

The major differences in the bill I am introducing and the administration's bill, which we are introducing by request, are the home health component, continuation of funding for the State and regional offices, and maintaining the current worthwhile programs conducted through VISTA. I strongly support the administration's encouragement of volunteer efforts and commend President Reagan, the ACTION Agency and the National Center for Citizen Involvement for the President's Volunteer Action Awards. These recently presented awards are further indications of the valuable contributions of volunteerism to communities. As President Reagan stated, "They serve to bring deserved attention to those who symbolize the outstanding accomplishments of the public and private sectors in meeting critical human needs."

The designation of a National Year of Voluntarism will bring national attention to the essential role that compassion must play in our country.

It is our sincere intent that this "Voluntarism Initiative" reinforces current successful efforts and also serves as a reminder that there are still many needs which can effectively be met through volunteer service.

Mr. President, I ask unanimous consent that the text and section-by-section analysis of my bill be printed in their entirety immediately following my remarks in the RECORD.

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

S. 1129

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 "Community Volunteer Service Act of 1983".

VOLUNTEERS IN SERVICE TO AMERICA; STATEMENT OF PURPOSE

SEC. 2. Section 101 of the Domestic Volunteer Service Act of 1973 (hereafter in this Act referred to as the "Act") is amended—

(1) by inserting "and part-time" after "full-time" in the first sentence thereof;

(2) by striking out "eliminate" and inserting in lieu thereof "alleviate";

(3) by striking out ", social, and environmental" in the second sentence thereof;

(4) by inserting "low-income individuals," before "elderly" in the second sentence thereof; and

(5) by adding at the end thereof the following new sentence: "It is the further purpose of this part to encourage the commitment of the resources of the private sector and to encourage part-time volunteer service at the local level to carry out the purposes set forth in this section.".

PART-TIME VISTA PROGRAM AUTHORITY

SEC. 3. Section 102 of the Act is amended by inserting "and part-time" after "full-time".

ASSIGNMENT

SEC. 4. (a) Section 103(a) of the Act is amended—

(1) by inserting after "States" in the matter preceding clause (1) the following: "in the local communities in which the volunteers were recruited";

(2) by striking out "and" at the end of clause (2);

(3) by striking out "the Economic Opportunity Act of 1964, as amended (42 U.S.C. chapter 34)" and inserting in lieu thereof "the Community Service Block Grant Act" in clause (3) thereof; and

(4) by redesignating clause (3) as clause (4) and by inserting immediately after clause (2) the following new clause:

"(3) in addressing the problems of the homeless, the jobless, the hungry, illiterate adults, and low-income youths; and".

(b) Section 103(b) of the Act is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by inserting after subsection (b) the following new subsection:

"(c) The Director may provide each low-income volunteer with an individual plan for job advancement or for transition to a situation leading to gainful employment. Whenever feasible, the efforts to cary out this subsection shall be coordinated with an appropriate private industry council established under the Job Training Partnership Act.'.

(c) The first sentence of section 103(e) (as redesignated by subsection (b) of this section) is amended by striking out "duties or work in a program or project in any State unless such program or project" and inserting in lieu thereof "work in a program or project in any community unless the apppplication for such program or project contains substantial evidence of local support and".

TERMS AND PERIODS OF SERVICE

SEC. 5. (a) Section 104(a) is amended—

(1) by inserting "(1)" after "(a)";

(2) by inserting "or part-time" after "full-time";

(3) by striking out ", social, and environmental" in the first sentence thereof;

(4) by striking out "this" in the second sentence thereof and inserting in lieu thereof "the requirement for full-time commitment"; and

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

"(2) The Director is authorized to establish reasonable regulations for the terms of service of part-time volunteers under this part.".

REPEAL OF LIMITATIONS

SEC. 6. (a) Section 108 of the Act is amended—

(1) by striking out subsection (a);

(2) by striking out "(b)"; and

(3) by striking out ", social, or environmental" in clause (2) thereof.

SERVICE LEARNING PROGRAMS

SEC. 7. Section 111 of the Act is amended to read as follows:

"STATEMENT OF PURPOSE

"SEC. 111. The purpose of this part is to provide for a program of part-time or short-term service-learning by secondary and post-secondary school students to strengthen and supplement efforts to alleviate poverty and poverty-related human, social, environmental problems.".

REPEAL OF UNIVERSITY YEAR FOR ACTION PROGRAM AND SPECIAL CONDITIONS

SEC. 8. (a) Section 112 of the Act is repealed.

(b) Section 113 of the Act is repealed.

(c)(1) The table of contents of the Act is amended by striking out items "Sec. 112." and "Sec. 113.".

(2) The table of contents of part B of title I of the Act is further amended by striking out "Sec. 114." and inserting in lieu thereof "Sec. 112.".

SPECIAL SERVICE LEARNING PROGRAMS

SEC. 9. (a) Section 114 of the Act is redesignated as section 112.

(b) Section 112(a) of the Act (as redesignated by subsection (a) of this section) is amended by striking out "and on such terms and conditions as described in subsections (a) and (c) of section 103" and inserting in lieu thereof the following: "as described in section 111".

SPECIAL VOLUNTEER PROGRAMS; STATEMENT OF PURPOSE

SEC. 10. Section 121 of the Act is amended—

(1) by striking out ", social, and environmental"; and

(2) by adding at the end thereof the following new sentence: "It is the further purpose of this part to provide technical and financial assistance to encourage voluntary organizations and volunteer efforts at the Federal, State, and local level.".

REQUIREMENT OF EQUITABLE DISTRIBUTION OF ACTIVITIES

SEC. 11. Section 122(a) of the Act is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following:

"(2) In carrying out programs authorized by this part, the Director shall assure that, in each fiscal year, there is an equitable geographic distribution of such programs.".

SENIOR COMPANION PROJECTS TO ASSIST HOMEBOUND ELDERLY

SEC. 12. Section 213 of the Act is amended by adding at the end thereof the following new subsection:

"(c)(1) The Director is authorized to make grants or contracts for Senior Companion projects to assist homebound elderly to remain in their own homes and to enable institutionalized elderly to return to home care settings.

"(2)(A) The Director is encouraged to recruit, subject to subparagaph (B), Senior Companion volunteer trainers who on the basis of experience (such as, doctors, nurses, home economists, social workers) will be used to train other volunteers for case management to provide initial needs assessments of Senior Companion volunteer recipients and train volunteers as home health aides and providers of homemaking services. The Director may also use Senior Companion volunteer leaders, who on the basis of experience as volunteers, special skills, and demonstrated leadership abilities may spend time in the program (in addition to their regular assignment) to assist newer Senior Companion volunteers in performing their assignments and in coordinating activities of such volunteers.

"(B) Senior Companion volunteer trainers recruited under subparagraph (A) of this paragraph shall not be paid stipends.

"(3) In the third year in which a project is assisted under this part the Director shall conduct an impact study of the project and shall prepare and submit a report of the study to the Congress. Such study shall include, but not be limited to, information on—

"(A) the extent to which costs of providing long-term care are reduced by using volunteers who receive stipends in the provision of long-term care services,

"(B) the effectiveness of the provision of long-term care with the use of volunteers,

"(C) the extent to which health related costs of the Senior Companion volunteers themselves are reduced because of their involvement in the project,

"(D) the extent of coordination with other Federal and State efforts aimed at enabling older individuals to receive care in their own homes; and

"(E) the effectiveness of using Senior Companion volunteer leaders and of involving Senior Companion volunteers in case management based on the training the volunteer leaders and volunteers.".

OLDER AMERICAN VOLUNTEER PROGRAMS; NON-FEDERAL CONTRIBUTIONS

SEC. 13. (a) Part C of title II of the Act is amended by adding at the end thereof the following new section:

"USE OF NON-FEDERAL CONTRIBUTIONS IN OLDER AMERICAN VOLUNTEER PROGRAMS

"SEC. 224. Whenever non-Federal Contributions made to volunteer programs for older Americans under this title is in excess of the amount required by the Director, the Director may not restrict the manner in which such contributions are expended if expenditures from non-Federal contributions are consistent with the provisions of this Act.".

(b) The table of contents of part C of title II of the Act is amended by inserting after item "Sec. 223." the following new item:

"Sec. 224. Use of non-Federal contributions in older American volunteer programs.".

ESTABLISHMENT OF AGENCIES

SEC. 14. Section 401 of the Act is amended—

(1) by inserting before the period at the end of the first sentence the following: "in order to provide a focal point for volunteerism at the Federal, State, and local level";

(2) by striking out "two Associate Directors" and inserting in lieu thereof "one Associate Director" in the fifth sentence thereof;

(3) by striking out "One such" in the fifth sentence thereof and inserting in lieu thereof "Such"; and

(4) by striking out ", and the other such Associate Director shall be designated 'Associate Director for International Operations' and shall carry out operational responsibility for all programs authorized under the Peace Corps Act (22 U.S.C. 2501 et seq.)" in the fifth sentence thereof.

SPECIAL LIMITATIONS

SEC. 15. Section 404(f) of the Act is amended—

(1) by striking out "and except as provided in the second sentence of this subsection" in the first sentence thereof, and

(2) by striking out the second sentence thereof.

REPEAL OF THE NATIONAL VOLUNTEER SERVICE ADVISORY COUNCIL

SEC. 16. (a) Effective January 1, 1986, section 405 of the Act is repealed.

(b) Effective January 1, 1986, item "Sec. 405" in the table of contents is repealed.

ADMINISTRATION AND COORDINATION

SEC. 17. Section 415 of the Act is amended by striking out "part A of title I of this Act" each time it appears and inserting in lieu thereof: "part A of title I of this Act, as in effect prior to the date of enactment of the Community Volunteer Service Act of 1983" each such time.

TECHNICAL AMENDMENT

SEC. 18. Section 417(c)(1) is amended by striking out "and the Peace Corps Act (22 U.S.C. 2501 et seq.)".

ELIGIBILITY FOR OTHER PROJECTS

SEC. 19. Section 418 of the Act is amended by inserting "workers' compensation," after "public assistance,".

REGULATIONS REQUIREMENT

SEC. 20. (a) Section 420(c)(1) of the Act is amended to read as follows:

"(c)(1) Notwithstanding any provision of subchapter II of chapter 5 of title 5, United States Code, relating to administrative procedure, any proposed regulation prescribed pursuant to this Act for the administration of any program under this Act may not take effect unless the public has been afforded 30 calendar days to comment on the proposed regulation prior to its publication in final form in the Federal Register.".

(b) Section 420(c)(2) of the Act is amended—

(1) by striking out "(A)" after "(2)"; and

(2) by striking out paragraph (B).

(c)(1) The second sentence of section 420(d) of the Act is amended by striking out "Except as provided in the following sentence, no" and inserting in lieu thereof "No".

(2) The third sentence of section 420(d) of the Act is repealed.

NATIONAL VOLUNTEER ANTIPOVERTY PROGRAM AUTHORIZATION

SEC. 21. Section 501 of the Act is amended to read as follows:

"NATIONAL VOLUNTEER ANTIPOVERTY PROGRAM AUTHORIZATION

"SEC. 501. (a) There is authorized to be appropriated to carry out part A of title I of this Act $7,000,000 for fiscal year 1984 and such sums as may be necessary for each of the fiscal years 1985 and 1986.

"(b) There is authorized to be appropriated to carry out part B of title I of this Act $1,800,000 for the fiscal year 1984 and such sums as may be necessary for each of the fiscal years 1985 and 1986.

"(c) There is authorized to be appropriated to carry out the provisions of part C of title I of this Act $1,984,000 for the fiscal year 1984 and such sums as may be necessary for each of the fiscal years 1985 and 1986.".

NATIONAL OLDER AMERICANS VOLUNTEER PROGRAM AUTHORIZATION

SEC. 22. Section 502 of the Act is amended to read as follows:

"NATIONAL OLDER AMERICANS VOLUNTEER PROGRAM

SEC. 502. (a) There is authorized to be appropriated $27,445,000 for each of the fiscal years 1984, 1985, and 1986, for the purpose of carrying out programs under part A of title II of this Act.

"(b) There is authorized to be appropriated $48,400,000 for each of the fiscal years 1984, 1985, and 1986, for the purposes of carrying out programs under part B of title II of this Act.

"(c) There is authorized to be appropriated $24,016,000 for each of the fiscal years 1984, 1985, and 1986, for the purposes of carrying out part C of title II of this Act. Of the amount appropriated in each fiscal year $12,000,000 shall be available to carry out section 213(c).".

ADMINISTRATION AND COORDINATION

SEC. 23. Section 504 of the Act is amended to read as follows:

"ADMINISTRATION AND COORDINATION

SEC. 504. There is authorized to be appropriated for the administration of this Act, as authorized in title IV of this Act, $29,348,000 for each of the fiscal years 1984, 1985, and 1986.".

COMMUNITY VOLUNTEER SERVICE ACT OF 1983—SUMMARY OF THE BILL

Three-year reauthorization for fiscal year 1984, fiscal year 1985, fiscal year 1986.

CHANGES IN THE VISTA PROGRAM, TITLE I, PART A

Increased flexibility to utilize part-time as well as full-time volunteers.

Emphasis on strengthening and supplementing efforts to alleviate poverty and poverty-related human problems.

Includes as an objective for VISTA to generate the commitment of private sector resources and encourage part-time volunteers at the local level.

Volunteers are to serve in the communities in which they were recruited.

Increased emphasis on addressing the problems of the homeless, the jobless, the hungry, illiterate adults, and low-income youth.

Low-income volunteers may be provided with a plan for job advancement or for transition to a situation leading to gainful employment in coordination with the private industry council established under the Job Training Partnership Act.

Projects are to provide evidence of local community support for the VISTA project, in addition to the currently required Governor's approval.

Allows more flexibility by reducing restrictive funding language.

CHANGES IN TITLE I, PART B

Maintains programs of part-time or short-term service-learning for secondary and post-secondary school students.

Eliminates the University Year for ACTION which has been zero funded.

CHANGES IN TITLE I, PART C

Clarifies the purpose—to provide technical and financial assistance to encourage voluntary organizations and volunteer efforts at the Federal, State, and local level.

Requires that an equitable geographic distribution be a factor in demonstration programs grants and contracts awarded.

CHANGES IN THE NATIONAL OLDER AMERICAN VOLUNTEER PROGRAMS, TITLE II PARTS A AND B

Technical amendments to update references to other acts and dates.

PART C

Increases the number of home health care programs through the Senior Companion programs (most States currently have only one or two programs). The new subsection encourages the recruitment of non-stipended volunteers who based on experience (doctors, nurses, home economists, social workers) could train Senior Companion volunteers in home health care, homemaking services and case management to provide initial need assessment of Senior Companion volunteer recipients.

Allows Senior Companion volunteer leaders who on the basis of experience as volunteers, special skills and leadership could spend additional time in the program to assist newer Senior Companion volunteers.

An impact study is required to assess the cost-effectiveness and success of the programs.

Then Older American Volunteer program grantees raise non-federal contributions in amounts greater than is required by ACTION, the grantees may decide how the contributions will be spent in accord with the Act.

CHANGES IN ADMINISTRATION AND COORDINATION, TITLE IV

Clarifies the purpose of the ACTION agency—to provide a focal point for volunteerism at the Federal, State, and local level.

Eliminates the position of Associate Director for International Operations which was actually part of the Peace Corps.

The operation of the National Voluntary Service Advisory Council will continue in operation to January 1, 1986.

Clarifies that "similar benefit" used in conjunction with "unemployed, temporary disability, retirement, public assistance," includes workers' compensation. This makes it clear that volunteers' stipends in Title II programs are not wages for purposes of state worker's compensation insurance benefits.

A 45-day congressional review period of all final ACTION agency regulations cannot be waived by the Director.

Promulgation of any new regulations must include an opportunity for the public to comment on both the proposed and the final regulations.

Provides for the authorizing levels for the programs for fiscal years 1984, 1985 and 1986.

By Mr. HATCH (by request) (for himself and Mr. DENTON):

S. 1130. A bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, and for other purposes; to the Committee on Labor and Human Resources.

DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1983

Mr. HATCH. Mr. President, today I am introducing, by request, the Domestic Volunteer Service Act Amendments of 1983, legislation submitted by the ACTION Agency. I ask unanimous consent that there be printed immediately following my remarks in the RECORD, the text of the bill, the executive communication from the ACTION Agency which accompanies this proposal, and the section-by-section summary of the bill.

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

S. 1130

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 "Domestic Volunteer Service Act Amendments of 1983".

VOLUNTEERS IN SERVICE TO AMERICA REPEALED

SEC. 2. Part A of title I of the Domestic Volunteer Service Act of 1973 (hereafter in this Act referred to as the "Act") is repealed.

SERVICE LEARNING PROGRAMS

SEC. 3. Section 111 of the Act is amended to read as follows:

"STATEMENT OF PURPOSE

"SEC. 111. The purpose of this part is to provide for a program of part-time or short-term service-learning by secondary and post-secondary school students to strengthen and supplement efforts to eliminate poverty and poverty-related human, social, and environmental problems.".

REPEAL OF UNIVERSITY YEAR FOR ACTION PROGRAM AND SPECIAL CONDITIONS

SEC. 4. (a) Section 112 of the Act is repealed.

(b) Section 113 of the Act is repealed.

SPECIAL SERVICES LEARNING PROGRAMS

SEC. 5. (a) Section 114 of the Act is redesignated as section 112.

(b) Section 112 of the Act (as redesignated by subsection (a) of this section) is amended by striking out "and on such terms and conditions as described in subsections (a) and (c) of section 103" and inserting in lieu thereof the following: "as described in section 111".

AUTHORITY OF DIRECTOR

SEC. 6. (a) Section 122(b) of the Act is amended by striking out "Except as provided in subsection (c) of this section, assignment" and inserting in lieu thereof "Assignment".

(b) Subsection (c) of section 122 of the Act is repealed.

ADMINISTRATION AND COORDINATION

SEC. 7. Section 415 of the Act is amended by striking out "part A of title I of this Act" each time it appears and inserting in lieu thereof: "part A of title I of this Act, as in effect prior to the date of enactment of the Domestic Volunteer Service Act Amendments of 1983" each such time.

ELIGIBILITY FOR OTHER PROJECTS

SEC. 8. Section 418 of the Act is amended by inserting "workers' compensation," after "public assistance,".

AUDIT

SEC. 9. Section 422 of the Act is amended by inserting at the end thereof the following new subsection:

"(c) Under such guidelines as the Director may establish, the Director of his designee, is authorized to require by subpena the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary to carry out the provisions of this section, which subpena, in the case of contumancy or refusal to obey, shall be enforceable by order of any appropriate United States district court.".

NATIONAL VOLUNTEER ANTIPOVERTY PROGRAM AUTHORIZATION

SEC. 10. Section 501 of the Act is amended to read as follows:

"NATIONAL VOLUNTEER ANTIPOVERTY PROGRAM AUTHORIZATION

"SEC. 501. There is authorized to be appropriated to carry out title I of this Act, $3,754,000 for fiscal year 1984 and such sums as may be necessary for fiscal year 1985.".

NATIONAL OLDER AMERICANS VOLUNTEER PROGRAM AUTHORIZATION

SEC. 11. Section 502 of the Act is amended to read as follows:

"NATIONAL OLDER AMERICANS VOLUNTEER PROGRAM

"SEC. 502. (a) There is authorized to be appropriated $27,445,000 for fiscal year 1984 and such sums as may be necessary for fiscal year 1985, for the purpose of carrying out programs under part A of title II of this Act.

"(b) There is authorized to be appropriated $48,400,000 for fiscal year 1984 and such sums as may be necessary for fiscal year 1985, for the purposes of carrying out programs under part B of title II of this Act.

"(c) There is authorized to be appropriated $12,016,000 for fiscal year 1984 and such sums as may be necessary for fiscal year 1985, for the purposes of carrying out part C of title II of this Act.".

ADMINISTRATION AND COORDINATION

SEC. 12. Section 504 of the Act is amended to read as follows:

"ADMINISTRATION AND COORDINATION

"SEC. 504. There is authorized to be appropriated for the administration of this Act, as authorized in title IV of this Act, $18,115,000 for fiscal year 1984 and such sums as may be necessary for fiscal year 1985.".

ACTION,
Washington, D.C., March 2, 1983.

Hon. GEORGE BUSH,
President, U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for your consideration is draft legislation which will reauthorize the ACTION Agency for fiscal years 1984 and 1985. This will enable the Agency to continue its work in providing volunteer assistance to public agencies and private sector groups who utilize volunteers to meet a broad range of human, social, and environmental needs, particularly those related to the solution of the problems of poverty.

The proposed bill would reauthorize appropriations for Service Learning Programs and Special Volunteer Programs authorized by title I of the Domestic Volunteer Service Act of 1973, as amended. The amount currently proposed for title I is considerably reduced from that received for the last fiscal year. This reduction is due in part to elimination of part A of title I, the Volunteers in Service to America Program (VISTA).

The bill would also authorize appropriations for the National Older American Volunteer Programs established by title II of the Act. More specifically, it would reauthorize the Retired Senior Volunteer Program (RSVP), the Senior Companion Program, and the Foster Grandparent Program. These highly regarded programs provide volunteer opportunities for older Americans in their own communities and much needed services to children with special needs, older people, and other worthwhile community projects.

The bill also proposes a repeal of a provision of title I part B, which establishes the University Year for ACTION program (UYA). This program has not been funded, except for close down purposes, since 1981.

Additionally, the proposal makes provisions for the administration of the activities under the Act.

The Office of Management and Budget has advised that there is no objection to the submission of the draft legislation to the Congress and that its enactment would be in accord with the program of the President.

Sincerely,

THOMAS W. PAUKEN,
Director.

DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1983

SECTION-BY-SECTION ANALYSIS

Section 1. The enacting clause, establishes the short title of the bill as "The Domestic Volunteer Service Act Amendments of 1983."

Section 2. Repeals part A of title I of the Act, which authorizes the Volunteers in Service to America program (VISTA). This would complete the phase out of the program that was begun in the 1981 Reconciliation Act.

Sections 3 and 4. Repeals the currently unfunded University Year for ACTION program (UYA) portion of the Service-Learning Program in part B of title I.

Section 5. Makes technical amendments to refer to renumbered sections in part B and strikes references to the repealed part A, title I program.

Section 6. Makes technical amendments in part C of title I, Special Volunteer programs, by striking subsections which refer to the repealed part A, title I program and which allows the ACTION Director to provide services, stipends, and support to direct and operate part-time and full-time Special Volunteer Programs.

Section 7. Makes technical amendments to correct references in title IV, Administration, to the repealed portions of Part A, title I.

Section 8. Clarifies, in Section 418, that "similar benefit" used in conjunction with "unemployed, temporary disability, retirement, public assistance," includes workers' compensation. This will make it clear that volunteers' stipends in title II programs are not wages for purposes of State workers' compensation insurance benefits.

Section 9. Provides subpoena authority to the Director for purpose of audit and investigation.

Sections 10, 11, and 12. Provide for the authorization of funds for fiscal years 1984 and 1985 for programs in title I, parts A, B, and C of title II and for administration under title IV.

By Mr. CHILES:

S. 1131. A bill to deauthorize the Cross-Florida Barge Canal project, to adjust the boundaries of the Ocala National Forest, Fla., and for other purposes; to the Committee on Environment and Public Works.

CROSS-FLORIDA BARGE CANAL PROJECT

● Mr. CHILES. Mr. President, today I am introducing legislation to deauthorize the Cross-Florida Barge Canal project in the State of Florida. This proposal is identical in purpose to legislation which has twice passed the Senate. Unfortunately, the House of Representatives has never acted on the question of terminating construction of the Cross-Florida Barge Canal. Today, however, I am pleased that a companion bill is being introduced in the House by Congressman BUDDY MACKAY who represents the district through which the incomplete part of the canal would have to be built. I am optimistic that the 98th Congress will be successful in finally putting to rest this ill-advised project.

The case for deauthorizing the Cross-Florida Barge Canal is both clear and convincing. The potential adverse environmental impacts associated with completing the canal undoubtedly outweigh any possible benefits attributed to the project. Additionally, opposition to the project is both solid and wide based.

President Carter, in his environmental message of May 23, 1977, called for the termination of the barge canal project.

In 1977, the Governor and Florida cabinet, acting as head of the Florida Department of Natural Resources, withdrew the State's official support and recommended against completion of the canal.

The U.S. Army Corps of Engineers, after a thorough examination of the project, giving consideration to all environmental and economic factors, concluded in 1977 that completion of the canal was not warranted.

The Florida Legislature enacted legislation in 1979 to abolish the Florida Canal Authority and transfer its operations in the department of natural resources. This legislation also provided the mechanism for the disposition of the State-held canal properties and the return of tax money to the six counties along the canal route if and when Congress enacts deauthorization legislation.

And finally, Mr. President, consititutent letters from all over the State, numerous editorials in papers throughout Florida, and resolutions from various local governments all point to widespread public interest and support for deauthorizating the canal.

Congress first authorized the 110 mile Cross-Florida Barge Canal project in 1942. The original plan called for a canal extending across the width of the State from Yankeetown on the gulf to Palatka on the St. Johns River. Funds for the project were appropriated in 1962 and work began in 1964. By 1971 construction was one third completed, three of the five proposed locks were built, 25 miles of 12-foot channels were dug, and $73 million spent when the President, by Executive order, halted work on the project to prevent potential environmental damage. The Governor and Florida cabinet suspended any further support for the canal until completion of a new cost benefit analysis and an environmental impact statement.

The Corps of Engineers was assisted in the environmental assessment project by an interagency coordinating group consisting of Federal and State agencies. Among the participating agencies were the Department of Interior, Environmental Protection Agency, Department of Agriculture, Forest Service and State agencies including the Department of Natural Resources, Florida Game and Fresh Water Fish Commission, the canal authority and the department of administration.

It was concern with the environmental damage the canal would incur that prompted initial efforts to stop construction and undertake a restudy. The completed environmental impact statement makes very clear that this concern was well justified. The Washington-level policy group, consisting of the Departments of Agriculture and Interior as well as EPA and CEQ concluded that hydrologic, pollution, fish and wildlife, recreation and other environmental considerations as presented in the impact statement warranted a strong recommendation against completion of the canal.

Of particular importance is the threat construction and operation of the canal would pose for the Floridan aquifer and consequently Florida's water supply. The Floridan aquifer is a water-filled underground layer of fragmented limestone which provides the region's supply of fresh water. Twenty-eight miles of the canal would cut down into this limestone, raising the possibility of interchange between canal waters and the rest of the aquifer. Information developed by professional hydrologists and geologists points to the prospect of serious contamination of the aquifer if such an interchange should take place.

Economic as well as environmental factors argue against completion of the barge canal project. The corps' 1977 restudy report and evaluation warranted the conclusion that the canal cannot be justified as a good investment. Using more realistic interest rates the restudy revealed the benefit/cost ratio of leaving the canal unfinished was greater than completing it.

In spite of widespread opposition to the completion of the canal, there are some who want to justify keeping the project alive, pointing to a projected increase in demand for coal shipments through a completed canal system. While this future demand has not been sufficiently verified, the interest in the project prompted inquiries to the U.S. Army Corps of Engineers soon after President Reagan took office. An April 3, 1981 letter from the Acting Assistant Secretary of the Army, however, reiterated that there was no basis for reviving the Cross-Florida Barge Canal as a Federal project.

Most recently, advisory language relating to the canal project was included in a House report accompanying the supplemental appropriations bill last summer. This language authorized the corps to use up to $450,000 to update and expand the 1977 economic study of the Cross-Florida Barge Canal. In response to a September 13 letter from me to the Assistant Secretary of the Army expressing my continued opposition to the project, Assistant Secretary Gianelli advised me that he had approve the use of $20,000 to prepare a proposed plan of study. Only after a review of this plan would he make a decision of the use of additional funds for this purpose. We are still awaiting a final decision by the corps on the restudy effort. In the meantime, I hope the Senate committee will move foward in its consideration of the legislation I am introducing today. It is time for the 98th Congress to go on record in opposition to this ill-advised project in my State.

The legislation I am introducing today terminates authority for further construction of the barge canal. In addition, it extends the boundary of the Ocala National Forest to include lands and interests in lands now owned by the State of Florida as well as Federal lands administered by the U.S. Army Corps of Engineers. This bill transfers lands administered by the corps to the Secretary of Agriculture and authorizes the acquisition of lands within the new boundary by the Secretary of Agriculture from the State of Florida.

In summary, let me reiterate that the Cross-Florida Barge Canal no longer has official project sponsors at either the State or Federal level. The combination of environmental and economic considerations presents a most convincing case for terminating authority for further construction of the canal. During the past few years the environmental concerns have become stronger, but the supposed economic advantages associated with completion of the project remain tenuous at best. The State has acted responsibly to set up a mechanism for disposing State-held lands and returning tax moneys to the six counties whose tax revenues financed the original acquisition of canal authority lands. The State, however, cannot work its will regarding the project and the lands until Congress acts to deauthorize this project.

The time is now for the Senate to once again act on legislation which will put to rest the future of the Cross-Florida Barge Canal and set in motion the State's plan for land acquisition. I hope we will see prompt and positive action by the Senate on this measure.●

By Mr. McCLURE (for himself, Mr. JACKSON, and Mr. MURKOWSKI):

S. 1132. A bill to amend the Federal Power Act to specify the annual charges for projects with licenses issued by the Federal Energy Regulatory Commission for the use of Federal dams and other structures; to the Committee on Energy and Natural Resources.

HYDROELECTRIC FACILITIES DEVELOPMENT

● Mr. McCLURE. Mr. President, on behalf of myself and the senior Senator from Washington (Mr. JACKSON) and the junior Senator from Alaska (Mr. MURKOWSKI) I am introducing legislation to amend section 10 of the Federal Power Act which will go far toward clarifying the seeming uncertainties which surround the development of hydroelectric facilities at Government dams by non-Federal entities.

As my colleagues will recall, joint oversight hearings were held during the 97th Congress by the Subcommittee on Water and Power and the Subcommittee on Energy Regulation of the Senate Committee on Energy and Natural Resources to examine the problems surrounding hydroelectric development and licensing procedures. Among the many problems associated with the development of our hydro resources in general are the specific problems faced by non-Federal developers who seek to utilize Federal dams. Two problems came to light during the course of the hearings. First, on the the part of the developer, is the need for clear guidelines to follow in estimating the annual charges which the Government would levy for the use of a Federal dam for a hydro project, and second, is the need to clarify, in regards to Bureau of Reclamation Dams, whether or not there could be a "double charge" for the use of the structure. This legislation would address both problems—but I would stress, only those two problems.

Section 10(e) of the Federal Power Act of 1920 authorizes the establishment and collection of a reasonable annual charge for the licensing of a hydropower project and states in part that:

In no case shall a license be issued free of charge for the development and utilization of power created by any government dam and that the amount charged therefor in any license shall be such as determined by the Commission.

At this time there is great confusion in the hydro industry as to what those charges might be, and in turn, what crucial effect that such charges may have on the economic potential of a specific site.

Economic viability is the heart of hydropower development and to the extend that we in the Congress can clear up the uncertainties surrounding the question of the annual charge, we will further the development of this important resource. By establishing a reasonable cap on the charges to be imposed for the use of a Federal dam we will provide a stable target that a would-be developer could use in determining whether or not a proposed project is worthwhile. This stable target is particularly valuable to the small developer who may not be able to afford the many services which would be necessary in order to estimate what the annual charge would be; given the complex system of rate computations possible under existing law.

The would-be developer also faces a second problem in the case of Bureau of Reclamation facilities. Section 9(c) of the Reclamation Project Act of 1939 authorizes the Secretary of the Interior to lease power privileges. This has been interpreted to include the sale of falling water or other contractual arrangement to utilize the power head and storage capabilities at Bureau facilities for power production.

In effect, we have authority vested in two entities to charge for non-Federal power development at Bureau of Reclamation dams; the Federal Energy Regulatory Commission via the licensing process, and the Secretary of the Interior through a "falling water" charge. The bill that I propose establishes that the fee charged in the license shall be the only fee and shall be determined by the Commission. Such a declaration should be most helpful in assisting developers to complete the licensing process.

I have said that this bill will promote hydroelectric development, but there are also some important steps in the development process that this amendment to section 10(e) will not effect. It will not effect licensing procedures, nor the need to comply with applicable environmental statutes and requirements. The bill does not exempt any projects from existing procedures or seek to diminish in any way public opportunity to participate in the licensing process. The bill will not relieve developers of returning to the Federal Government an appropriate share of capital, operation, and maintenance costs. In addition, the bill provides for an annual charge of up to $1 per kilowatt of installed capacity and one-half mil per kilowatt hour of energy generated. In effect there would be a fixed charge for capacity, and an additional return to the Federal Government commensurate with generation.

It is a fine and difficult line we are trying to draw in respect to the appropriate Federal charge for the development of a public resource. We must strike a balance between the need to provide revenue to the Treasury while at the same time encouraging responsible development. If charges are set too high, there will be no development and hence no revenues. In turn, if charges are too low, the public would not be getting a fair return on the investment of their tax dollars in Federal facilities.

I am looking forward to working closely with the distinguished ranking member of the committee and the chairman of the Subcommittee on Energy Regulation on this legislation.

Mr. President, I ask unanimous consent that a brief statement summarizing section 10(e) of the Federal Power Act and the proposed amendment be included in the RECORD at this point.

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

FACT SHEET ON SECTION 10(e) OF THE FEDERAL POWER ACT

I. EXISTING LAW

Section 10(e) requires that a licensee pay reasonable annual charges to be fixed by the Commission for the purpose of: (1) reimbursing the United States for the costs of administration of Part I of the Federal Power Act; (2) recompensing the United States for a licensee's use, occupancy and enjoyment of federal lands or other property; and (3) for the expropriation to the United States of excessive profits until the states make provision for preventing excessive profits or for the expropriation of such excessive profits to themselves, or until a specified amortization period is reached. In fixing the level of these charges, the Commission must seek to avoid increasing the price of power to the consumers, and may adjust such charges from time to time as conditions require.

When licenses are issued involving the use of government dams or other structures owned by the United States and located within reclamation projects, the annual charge set by the Commission for the use of such structures is subject to the approval of the Secretary of the Interior. When licenses are issued involving tribal lands within Indian reservations, the annual charge set by the Commission for the use of such lands is subject to the approval of the Indian tribe having jurisdiction over such lands. Both the government dam annual charge and the Indian lands annual charge may be readjusted by the Commission, upon notice and opportunity for hearing, twenty years after the project is available for service and at ten year intervals thereafter. Such readjustments are subject to the approval of the Secretary of the Interior and the Indian tribe, respectively.

Licenses issued to states and municipalities for the development, transmission or distribution of power may be issued without charge to the extent the power produced is sold to the public without profit or is used by the state or municipality for state or municipal purposes. Projects constructed by states or municipalities for the primary purpose of providing or improving navigation may be issued without charge and without any limitation placed upon the use of power produced at such projects. Licenses issued for the development, transmission or distribution of power for domestic, mining or other beneficial purposes in projects with an installed capacity of not more than 2,000 horsepower may also be issued without charge except when such projects are located on tribal lands within Indian reservations. Licenses for the development and utilization of power created by a government dam may not be issued free of charge and the amount assessed shall be determined by the Commission.

Should a licensee make an overpayment on an annual charge assessed pursuant to this section, the Commission may allow a credit for any such overpayment against any future annual charges.

II. PROPOSED AMENDMENT

The proposed amendment to Section 10(e) of the Federal Power Act would set a maximum ceiling on the annual charge to be fixed by the Commission for a licensee's use of a government dam or other structures owned by the United States. This maximum annual charge would be comprised of two parts: 1) any actual unreimbursed costs to the United States resulting from the construction, operation and maintenance of the project works; and 2) an annual rental charge not to exceed $1.00 per Kw of installed capacity and ½ mill per kWh of energy produced. In addition, the proposed amendment would provide that said maximum annual charge, as fixed by the Commission, shall be the only charge assessed by any agency of the United States for a licensee's use of a government dam or other structures owned by the United States. In all other respects, the provisions of Section 10(e) would remain unmodified.

S. 1132

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 10(e) of the Federal Power Act (16 U.S.C. 803(e)) is amended by modifying the last clause of the sentence preceeding the last sentence to read as follows: "but in no case shall a license be issued free of charge for the development and utilization of power created by any Government dam, and the amount of such charge shall include the actual unreimbursed cost to the United States, if any, resulting from the construction, operation, and maintenance of the licensee's project works, in addition to an annual rental charge not to exceed $1 per kilowatt of installed capacity and one-half mill per kilowatt-hour of energy produced, and that the amount charged therefor in any license shall be the only charge assessed by any agency of the United States, and shall be such as determined by the Commission."●

● Mr. MURKOWSKI. Mr. President, I would like to express my strong support for the measure to amend section 10(e) of the Federal Power Act as in-

troduced today by the chairman of the Senate Energy Committee.

It is not necessary for me to once again reiterate my strong support for the development of our Nation's hydroelectric resources. During the last Congress, I took the opportunity to express often my belief that we should encourage the continued development of this energy source. By clarifying the question of what constitutes the falling water charge for the use of Government dams, this legislation will help non-Federal investors make sound decisions as to whether or not to go ahead with the investment necessary to develop a particular site.

The potential for further hydroelectric development at Federal dams is significant. The recent national hydroelectric power resources study by the Corps of Engineers gives a good indication of the magnitude of the resource that this legislation could effect. Of the 516 Federal dams included in the study, 168 already have hydro facilities with an installed capacity of 32,000 megawatts. The capacity potential at the 348 remaining structures and the additional capacity at 55 of the dams where facilities already exist totals 13,500 megawatts. In terms of energy produced, there is a potential for 25 billion kilowatt-hours of electricity annually or the equivalent of over 40 million barrels of oil each year. Certainly an important contribution to our Nation's energy needs.

Traditionally, the hydropower resource has been developed by the agency responsible for the water resource project, usually the Corps of Engineers or the Bureau of Reclamation. Last Congress, during hearings on legislation to authorize the Bureau of Reclamation to construct additional hydroelectric facilities at existing projects, the desirability for non-Federal development at several sites became apparent. Further hearings examined the FERC licensing process and the need for coordination among the Federal agencies involved. A significant step in facilitating non-Federal development at reclamation dams was the signing of a memorandum of understanding between the Bureau of Reclamation and the Federal Energy Regulatory Commission. This memorandum outlines the procedures for coordinating the efforts of the two agencies in licensing non-Federal hydro development at Bureau dams.

Mr. President, I ask unanimous consent that a copy of the memorandum appear in the RECORD at the conclusion of my remarks.

Although laudible in its intent, the memorandum does not fully address the question of the annual charge to the non-Federal developer for the use of the Government facilities. The bill which I am today cosponsoring fills this need—and not only just for Bureau dams, but all Federal dams.

The long-range benefits which would accrue from this legislation are many. By promoting hydro development, we will provide an energy source whose fuel is free and not subject to foreign embargo. We will promote an energy source, which for the most part is environmentally benign—particularly in those instances where existing dams are used. We will provide jobs in construction and related supply industries. And we will provide additional revenues to the Treasury.

As chairman of the Subcommittee on Energy Regulation, it is my hope to hold hearings on this measure as soon as the legislative and committee schedules permit.●

By Mr. EAGLETON (for himself, Mr. WEICKER, Mr. STAFFORD, Mr. COHEN, Mr. CRANSTON, Mr. DANFORTH, Mr. DODD, Mr. DURENBERGER, Mr. GORTON, Mr. HEINZ, Mr. KENNEDY, Mr. MATSUNAGA, Mr. METZENBAUM, Mr. PELL, Mr. RANDOLPH, and Mr. RIEGLE):

S. 1133. A bill to extend the authorization of appropriations for the Legal Services Corporation and to improve the provisions relating to operation of the Corporation and legal services programs; to the Committee on Labor and Human Resources.

REAUTHORIZATION OF THE LEGAL SERVICES CORPORATION

● Mr. EAGLETON. Mr. President, today, on behalf of myself and Senators WEICKER, STAFFORD, COHEN, CRANSTON, DANFORTH, DODD, DURENBERGER, GORTON, KENNEDY, MATSUNAGA, METZENBAUM, PELL, RANDOLPH, AND RIEGLE, I am introducing legislation to extend the authorization for appropriations for the Legal Services Corporation for 3 additional years.

If the very concept of equal justice under the law, upon which our Nation was founded, is to have any meaning in our adversary system of legal representation, then every individual must be provided the means whereby he can enforce his rights and redress his grievances.

The federally funded civil legal services program began modestly in 1965 as a $600,000 pilot program under title II of the Economic Opportunity Act. From its earliest days, it has been an embattled program by its very nature. Much of the litigation handled by legal services lawyers has placed it in direct conflict with Government and thus it has been threatened by interference within the executive branch, by Governors' vetoes, and by congressional efforts to restrict the ability of an attorney to represent his client.

Recognizing the inherent conflict between legal services programs and other Government entities, in May 1971, President Nixon, following recommendations by the American Bar Association and his own advisory council on executive organization, proposed legislation to have the program transferred to a new independent nonprofit corporation.

The National Advisory Committee, which included then-Attorney General Mitchell and HEW Secretary Richardson, stated the justification for independence as follows:

> The integrity of the lawyer-client relationship must be preserved free of interference by outside sources. Particularly, this means freedom from political pressure and conflicting governmental policies which detract from the lawyer's duty of absolute fidelity to his client. This can probably best be attained by establishing a structure independent of any federal, state, or local governmental department or agency.

At the time the independent corporation was proposed, then Director of OEO Frank Carlucci highlighted the controversy as follows:

> It is an act of great self-confidence for a government to make resources available for testing the legality of government practices. We have written laws and created government agencies that provide food for people who are hungry, homes for people who are homeless, and jobs for people who are unemployed.
>
> Consequently, a lawyer who is going to represent poor people is inevitably going to be an advocate for them against governmental agencies. It is to shield legal services from the repercussions generated by suits of this kind as well as those generated by action against private interests that the President proposes creation of an independent legal services corporation.

I can remember no other measure in my years in the Senate which was so hotly contested, deliberated upon for so long, and which finally won the support of so many with widely divergent political and ideological points of view.

Some Members of the Senate have advocated a block grant approach to legal services in lieu of the present independent Corporation structure. This administration, last year, suggested that increased pro bono efforts by private attorneys are a major way of augmenting legal services activities.

Mr. President, stated quite simply, neither approach will or can work.

It is totally unrealistic to expect that the States will move forward to provide an effective civil legal services program for their poor. Only about 1 percent of the funding for such services is now being provided by the States. The inherent conflicts of interest, combined with the States' historical nonrole in civil legal services, gives no indication that the States are willing or able to assume the role of provider of legal services to the poor.

As for the pro bono efforts of the private bar, this administration knows well that those efforts, while growing steadily, are simply inadequate. Private attorneys have attempted to address the obstacles to equal justice for the economically disadvantaged since

1876, when the first formal private legal services program was established in New York. Numerous legal aid and public defender programs were developed in the early 1900's, and have grown tremendously during this century. Despite these activities, it was and is apparent to everyone that this voluntary effort to provide the poor access to our justice system, while significant, was meeting only a small percentage of the legal needs of the poor.

For these reasons, Mr. President, 15 of my colleagues and I believe that anything short of reauthorization of an independent corporation is repugnant to the constitutional requirement of equal justice under law.

The legislation which we propose today authorizes appropriations to the Legal Services Corporation of $296 million for fiscal year 1984, and "such sums as may be necessary" for the subsequent 2 years. The major revisions to current law contained in the bill are as follows:

First. Amendments to the governing body provisions—In its deliberations on the 1974 act, Congress took great care to establish legislative history spelling out the criteria governing the qualifications of nominees to the Legal Services Corporation Board, one of which was "the assurance that the Board members understand and are fully committed to the role of legal assistance attorneys and support the underlying principle of this legislation that it is in the national interest that the poor have full access under the law to comprehensive and effective legal services." The bill codifies the legislative history's requirement that all individuals appointed to the Board be fully supportive of the underlying principles of the act.

The bill further sets out specific qualifications to be met by Board nominees representative of the organized bar, and representative of the client community.

The bill establishes in law that six qualified members of the Board shall constitute a quorum, and defines the term "qualified."

Second. Amendments to the powers, duties, and limitation provisions—The bill codifies the class action restrictions presently contained in Public Law 93-377, the fiscal year 1983 continuing resolution.

Third. Amendments to the grants and contracts provisions—The bill contains a new requirement that substantial funds be made available for private attorney involvement in the delivery of legal services; adds a new clause to the requirement that legal services be provided in the most economical and effective way, referencing the Corporation's statutorily mandated study of methods of delivery of legal services; and expands upon the existing act's restrictions on legislative advocacy.

Fourth. Amendments to the financing provisions—The bill authorizes $296 million for fiscal year 1984, and "such sums as may be necessary" for each of the 2 succeeding years. In addition, it codifies the provision in Public Law 93-377, the continuing resolution for fiscal year 1983, with respect to continuation of grants and contracts until a quorum of the Board is qualified. The bill deletes the prohibition in the existing act that private funds received by legal services programs for the provisions of legal services be subject to the same restrictions as the Federal funds, but retains the requirement that funds received from sources other than the Legal Services Corporation must be accounted for and reported separately.

Mr. President, I ask unanimous consent that the text of the bill be printed following my remarks.●

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

S. 1133

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

SHORT TITLE

That this Act may be cited as the "Legal Services Corporation Act Amendments of 1983".

GOVERNING BODY

Sec. 2. (a) Section 1004(a) of the Legal Services Corporation Act of 1974 (hereafter in this Act referred to as "the Act") is amended by adding at the end thereof the following: "All individuals appointed to the Board shall be fully supportive of the underlying principle of the Act that it is in the national interest that low-income individuals have equal access under the law to comprehensive and effective legal services. Individuals appointed to the Board who are generally representative of the organized bar shall be individuals who—

(1) have participated on bar committees concerned with the delivery of legal services to the poor;

(2) have served on the governing body of an organization or entity involved in such delivery; or

(3) have engaged in the direct provision of legal services to eligible clients through a staff attorney, or a *pro bono* or reduced fee program.

Each individual appointed to the Board as an eligible client shall be an individual who, when nominated, was eligible to receive legal assistance under this Act.

(b) Section 1004(h) of the Act is amended by adding at the end thereof the following: "At each meeting of the Board, the presence of six qualified members who meet the requirements of section 1004(a), at least one of whom shall be an individual who when appointed was one of the eligible clients shall be necessary to constitute a quorum.".

(c) Section 1002 of the Act is amended by redesignating clauses (6), (7), and (8) as clauses (7), (8), and (9), respectively, and inserting after clause (5) the following:

"(6) 'qualified' means, with respect to a member of the Board, an individual who has been appointed by the President, by and with the advice and consent of the Senate, and who has taken the oath of office;".

POWERS, DUTIES, AND LIMITATIONS

Sec. 3. Section 1006(d)(5) of the Act is amended by adding at the end thereof the following: "With respect to a class action suit against the Federal Government or any State or local government, the project director shall, prior to filing such action, further determine—

(A) that the class relief which is the subject of such an action is sought for the primary benefit of individuals who are eligible for legal assistance;

(B) that the government entity is not likely to change the policy or practice in question, and that the policy or practice will continue to adversely affect eligible clients; and

(C) that the recipient has given notice of an intention to seek class relief and that reasonable efforts to resolve the adverse effects of the policy or practice without litigation have not been successful or would be adverse to the interests of the client.".

GRANTS AND CONTRACTS

Sec. 4. (a) Section 1007(a) of the Act is amended—

(1) by redesignating clauses (3) through (10) as clauses (4) through (11) respectively, and

(2) by inserting after clause (2) the following new clause:

"(3) make available, in each fiscal year to the extent feasible and consistent with clause (4), substantial funds to provide the opportunity for legal assistance to be furnished to eligible clients by private attorneys;".

(b) Section 1006(b)(5) of the Act is amended—

(1) by striking out "section 1007(a)(6)" and by inserting in lieu thereof "section 1007(a)(7)"; and

(2) by striking out "section 1007(a)(5)" and inserting in lieu thereof "section 1007(a)(6)".

(c) Section 1007(a)(4) of the Act, as redesignated by this section, is amended by inserting before the semicolon a comma and "consistent with the findings of the study conducted under section 1007(g) of this Act, in effect prior to the date of enactment of the Legal Services Corporation Act Amendments of 1983.".

(d) Section 1007(a)(6) of the Act, as redesignated by this section, is amended to read as follows:

"(6) insure that no funds made available by the Corporation shall be used at any time, directly or indirectly, to pay for any personal services, advertisement, telegram, telephone communication, letter, printed or written matter, or any other device intended or designed to influence any Member of Congress or any other Federal, State, or local elected official to favor or oppose any Acts, bills, resolutions, or similar legislation, or any referendum, initiative, constitutional amendment, or any similar procedure of the Congress, any State legislature, any local council or any similar governing body acting in a legislative capacity, except when—

"(A) communications are made in response to any Federal, State, or local official upon the formal request of such official; or

"(B) the project director of a recipient has expressly approved the undertaking of legislative representation of an eligible client in accordance with policy established by the governing body of such recipient and has determined prior to approving the undertaking of such representation that (i) the client is directly affected by provisions of

particular legislation or is in need of relief which can best be provided by the legislature, and (ii) that documentation specifically authorizing such representation has been secured from the eligible client, which documentation includes a statement of the specific interest of the client; or

"(C) the project director of a recipient has expressly determined that the legislative body is considering an authorization, appropriation, or any other measure affecting the authority, function, or funding of the recipient or the corporation, or is conducting oversight of the recipient or the Corporation.".

(e) Subsections (g) and (h) of section 1007 of the Act are repealed.

FINANCING

SEC. 5. (a) Section 1010(a) of the Act is amended by inserting immediately after the second sentence the following new sentence: "There are authorized to be appropriated for purposes of carrying out the activities of the Corporation $296,000,000 for fiscal year 1984, and such sums as may be necessary for each of the two succeeding fiscal years.".

(b) Section 1010(a) of the Act is further amended by inserting "(1)" after "(a)" and by adding at the end thereof the following new paragraph:

"(2) Whenever the Board includes less than six members who have been appointed and are qualified in accordance with section 1004(a), appropriations for that fiscal year shall be used by the Corporation in making grants or entering into contracts under section 1006(a)(1) and (3) so as to insure that annual funding for each current grantee and contractor is maintained uninterrupted for that fiscal year under the same terms and conditions as were applicable in the previous fiscal year. If the appropriation for the fiscal year to which this paragraph applies is the same amount as was appropriated in the previous fiscal year, the annual funding for that fiscal year for each grantee or contractor shall be the same as in the previous fiscal year. If the appropriation for the fiscal year to which this paragraph applies differs from the previous fiscal year, the annual funding for each grantee or contractor for that fiscal year shall be an amount which bears that same ratio to the total appropriation for that fiscal year as the amount paid to each such grantee or contractor for the previous fiscal year bears to the total appropriation to the Corporation in the previous fiscal year.".

(c) Section 1010(c) is amended by striking out the semicolon and all that follows, and inserting in lieu thereof a period.

● Mr. WEICKER. Mr. President, I am pleased to join my colleagues today in introducing legislation to reauthorize the Legal Services Corporation and to improve its effectiveness in providing access for all Americans to our system of justice.

Congress created this agency 8 years ago as a private, nonprofit organization to serve the legal needs of the Nation's poor. During this short time, it has compiled an impressive record of service to millions who would not otherwise have been able to stand up for themselves in our highly litigious society. Unwarranted utility cutoffs, eviction actions, termination of medicaid services, consumer fraud, employment discrimination, and family law problems are among the situations in which the Legal Services Corporation has been of substantial help. A large number of cases in which the Legal Services Corporation has been involved help preserve basic human rights.

Mr. President, either in ignorance of or in spite of this record, the administration and some Members of the Congress have by every means known to man, tried to undermine, emasculate, and othewise do in the Corporations. The President's fiscal year 1982, 1983, and 1984 budget requests have zero-funded this agency. Congress did not concur in this judgment and has repeatedly restored funds. I fully expect that an appropriation will again be forthcoming this year.

Failing to abolish the Legal Services Corporation, the President set about stacking its Board with sworn opponents. Placed on the Board through the recess appointment power, those members began an "inside job" on the Corporation. This strategy also failed when the Congress refused to confirm the appointments.

I do not know how many times the Congress and the administration are going to have to go to the mat on this matter, but it should be clear to all that the Legal Services Corporation is here to stay and we had best get on with the job of making it work as well as possible.

The bill we introduce today is directed toward that goal.

Mr. President, I hope my colleagues will carefully consider this legislation in light of the record of service of the Legal Services Corporation in protecting basic civil rights in our society. The drumbeat of criticism of the Corporation will doubtless continue; passage of this bill will not be an easy task. But it will be well worth the effort, because of the paramount importance of what is at stake.●

● Mr. KENNEDY. Mr. President, I am pleased to join my colleagues, including the principal sponsors, Senators EAGLETON, WEICKER, and STAFFORD, in introducing the Legal Services Corporation Amendments of 1983. This bill, by extending the authorization of the Legal Services Corporation, will insure that vital Federal support for legal services to the poor continues.

I think it is quite significant that once again a bipartisan group of Senators have come together to support this program. When the legislation creating the Corporation was first introduced a decade ago, I was then also one of a bipartisan group of Senate sponsors. When the measure became law, it was passed with bipartisan majorities by both Houses of a Democratically controlled Congress and signed into law by a Republican President. And when this program came under attack 2 years ago from the Reagan administration and from public and congressional critics, a bipartisan coalition in both Houses united to defend and preserve the Corporation. This long, continued bipartisan support is a testimonial to the importance of the Corporation and to its success in meeting the needs of its clients and our society.

This broad congressional support is reflected in the broad support the Corporation enjoys in American society in general. A recent New York Times-CBS News poll found that 83 percent of the people polled favored continuing or expanding Federal support for legal services to the poor. And this level of support cut across ideological and political divisions. Since its inception, members of the bar and the judiciary have joined with the people in poverty and social activists in support of the program.

Despite the claims of its opponents, the Legal Services Corporation is not a politically isolated, publicly unpopular program. It is instead a popular program and for a very simple reason—it works. For millions of poor Americans, it has made the phrase "equal justice under the law" a reality. It has been the difference between becoming a victim of the system and becoming part of the system.

The volunteer efforts of the organized bar have never been sufficient to meet the needs of these millions in poverty, despite the fondest wishes of the Reagan administration. Nor are they likely to be sufficient in the next few years as millions of Americans struggle to recover from double-digit unemployment and a stagnant economy. I do believe that the organized bar has a role in this program and that they should endeavor to do more in an effort to provide more adequate legal services to the poor and this bill encourages such efforts. But I firmly believe that these efforts can in the end only supplement the work of a federally supported program, like the Legal Services Corporation.

I am vividly aware of the need to reduce our budget and the enormous budget deficit our country faces. Nevertheless, I support the increased funding level authorized by this legislation for the Corporation. Two years ago, the Corporation suffered a 25-percent budget cut—from $321 million to $241 million. The impact on the field programs has been devastating. The programs have lost 1,546 skilled and dedicated attorneys—24 percent of the total and have been forced to close 354 field offices—almost a fourth of all the offices. It is to their credit that these programs continue to provide the needed services to hundreds of thousands of Americans annually.

The testimony of John Cromartie, director of Georgia Legal Services, in a House Judiciary Subcommittee hearing on April 13, 1983, graphically illustrated the impact of these cuts.

* * * There is no question that we are turning away hundreds of clients a month. Our Dalton office is generally seeing one-third fewer people than it did a year ago. In March, the figure went down to one-half. In February, the Gainesville office turned away 70 people. Our Macon office has a six-week waiting period for an appointment. At case acceptance meetings, fully 60 percent of the cases considered are rejected. In 1981 nearly all of these cases would have been accepted. Even these dismal figures overstate our ability to meet the demand because they do not take into consideration the people who never get to our offices. The problems are particularly severe in the rural communities where we have been forced to close offices or curtail circuit-riding.

The authorization increase included in this bill would not restore the programs to their levels of 1981 as much as I would like to see this occur. It simply compensates the program for the inflationary increases during that time and insures that rising costs do not further degrade program services.

Mr. President, our Nation guarantees to its citizens that they are all equal in the eyes of the law. It guarantees those who are victimized by institutions or individuals a system to receive justice and compensation. But if you are poor, those guarantees are hollow without the legal support necessary to make that system work and to make their participation effective. That is the role of the Legal Services Corporation. And that is why we must enact this legislation.●

● Mr. RIEGLE. Mr. President, today I join with a bipartisan group of Senators as a cosponsor of a bill to reauthorize the Legal Services Corporation for 3 years at a funding level in fiscal year 1984 of $296 million.

This important program has survived without an authorization since 1980 despite continuous attempts by the Reagan administration to eliminate the program or, at the very least, to undermine its effectiveness. Because of strong bipartisan support for the Legal Services Corporation in this body and the House of Representatives, the administration has been unsuccessful. Nevertheless, the budgetary and administrative war waged against LSC has yielded some victories, largely at the expense of poor people and their access to the courts. It is high time that the Congress sent yet another unequivocal signal to the Reagan administration regarding its determination to see the Legal Services Corporation continue to provide legal assistance to poor, disabled, and elderly Americans. That signal is the passage of this reauthorization bill.

Mr. President, the effectiveness of this program has been well documented. We know that 95 percent of funding is utilized for direct services to eligible clients. The overwhelming majority of legal services cases involve the routine legal problems of individuals. The largest percentage of cases involve family matters, and the most frequently provided service is simply giving advice and counsel. Women, who represent a clear majority of Americans living below the poverty line, number over two-thirds of the clients served. Poor, handicapped, and minority children, who would otherwise not receive representation, are frequent clients of the Legal Services Corporation. In 1981, almost 13 percent of clients served were over age 60. With the help of legal services agencies, the poor are able to redress discrimination in employment, education, housing and credit, to obtain divorces or child custody, and to enforce their rights under programs that provide food or shelter.

The Legal Services Corporation was developed to realize the concept of equal access to justice for all Americans. This administration is undermining this fundamental concept. One needs to look no further than my own State of Michigan to see the detrimental effect of the Reagan administration on the delivery of legal services to the poor. While the Congress has repeatedly rejected the proposals to eliminate Federal funding, the Corporation did fall victim to budget cuts. In 1982, there was a 25-percent reduction from the 1981 funding level to $241 million and this funding level has remained constant despite inflation and an increased demand for services. In Michigan this cut has required large-scale staff reductions and the closing of many of the legal services offices. In 1982, Michigan lost $1.8 million in Federal funding for legal services, which translated into the loss of 61 attorneys and 159 paralegals and other support personnel. These massive reductions have crippled the ability of programs to begin to meet the needs of increasing caseloads at a time of record high unemployment in our State.

While legal services field offices in my State and across the Nation have struggled with deep cuts and continuous budgetary uncertainty, the White House has worked vigorously to undermine the Corporation administratively. We have seen the nomination of Board members who seem determined to ignore their statutory duty and to work actively at dismantling the Corporation. Although the lucrative consulting fees collected by many Board members over the last 2 years have not been found to be expressly illegal, it would seem at the very least to be inappropriate for individual Board members to profit while curtailing services to the poor. After 2 long years, the Senate has yet to have the opportunity to exercise its confirmation rights in regard to the Legal Services Board of Directors. At this moment, five Board members, who have not been subject to the confirmation process, have been charged by the President with the administration of this important program.

The instability experienced by the Legal Services Corporation over the past 2 years cannot be completely remedied while the administration in power continues to advocate its elimination. However, as members of the legislative branch of Government, we can contribute to the Corporation's effectiveness by renewing its authorization and providing some statutory safeguards which will help to assure proper administration of the act. I believe this bill will do exactly that. The bill emphasizes the need to appoint Board members whose qualifications include a history of providing legal aid to the poor. It extends the provision in the 1983 continuing resolution with respect to the continuation of grants and contracts until a quorum of the Board is confirmed by the Senate. In addition, the bill modifies restrictions in the existing statute regarding class action suits and legislative advocacy.

I continue to have serious reservations about restrictions which intrude on the judgment of an attorney as to how he or she might best serve a given client's needs. I am even more reluctant to support the inclusion of such restrictions in the authorizing statute. Nevertheless, I support the bill as written because I believe the drafters of this legislation have accepted political realities in order to insure the passage of this vital legislation. I simply urge that this body resist any additional efforts to intrude on the attorney-client relationship.

Mr. President, this legislation has the support of the majority of the members of the Labor and Human Resources Committee. It is my hope that it will be reported favorably by that body sometime next month and will receive favorable floor consideration shortly thereafter. I urge my colleagues to join me as a cosponsor of this important bill as we reaffirm the important democratic principle of equal justice under the law.●

By Mr. CRANSTON (for himself and Mr. WILSON):

S. 1134. A bill to dedicate the Golden Gate National Recreation Area to Phillip Burton; to the Committee on Energy and Natural Resources.

DEDICATION OF GOLDEN GATE NATIONAL RECREATION AREA TO PHILLIP BURTON

Mr. CRANSTON. Mr. President, on behalf of Senator WILSON and myself I introduce for appropriate reference a bill to dedicate the Golden Gate national recreation area in California to Phillip Burton. This bill is identical to H.R. 2600 introduced in the House by Congressman GEORGE MILLER and nearly 100 cosponsors.

As my colleagues know, Phil Burton was an ardent conservationist. As a member of the House Interior and In-

sular Affairs Committee, he fought to preserve many outstanding natural and cultural areas of our Nation for the benefit of all the people of the United States for all time. His efforts brought about the expansion of the Redwood National Park saving the Tall Tree Grove of giant redwoods, protection of the Tahoe basin from further deterioration, and establishment of the Santa Monica Mountains national recreation area and the Channel Islands National Park. Phil was a key figure in the passage of the Alaska Lands Act, protecting over 100 million acres of land. He helped triple the size of the national trails system, nearly double the size of the wild and scenic rivers system, and more than double the wilderness acreage in the national park system. At the time of his death, he was working to double national forest wilderness in the State of California. And for San Francisco, Phil Burton authored legislation creating the Golden Gate national recreation area, a magnificent urban park stretching from the Golden Gate to the Marin Headlands and up the coast to Point Reyes. It is most fitting that the Golden Gate national recreation area be dedicated to Phil Burton in recognition of his leadership and the numerous contributions he made for all of us in protecting the environment.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

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

S. 1134

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Golden Gate National Recreation Area, California, is hereby dedicated to Congressman Phillip Burton in recognition of his leadership in establishing the Golden Gate National Recreation Area, his outstanding contributions to the national park system, the wilderness preservation system, and to the protection and preservation of our great natural and cultural resources for the benefit of the people of the United States for all time.

SEC. 2. In order to carry out the provisions of this Act, the Secretary of the Interior is authorized and directed to provide such identification by signs, including, but not limited to, changes in existing signs, materials, maps, markets, interpretive programs or other means as will adequately inform the public of the contributions of Phillip Burton.

SEC. 3. The Secretary of the Interior is further authorized and directed to cause to be erected and maintained, within the boundaries of the Fort Mason unit of the Golden Gate National Recreation Area, an appropriate memorial to Phillip Burton. Such memorial shall include but not be limited to an appropriate permanent marker describing the contributions of Phillip Burton to the Nation.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. HATFIELD:

S. 1135. A bill to consent to the Goose Lake Basin Compact between the States of California and Oregon; to the Committee on the Judiciary.

GOOSE LAKE BASIN COMPACT

● Mr. HATFIELD. Mr. President, today, I am reintroducing legislation to ratify the Goose Lake Basin Compact between the States of California and Oregon. I introduced this bill in both the 96th and 97th Congresses; however, final passage has not occurred. Similar legislation has been introduced in the House of Representatives by Mr. BOB SMITH. Goose Lake lies on the border of California and Oregon, and, as such, both States have an interest in the utilization, development, and conservation of the water resource of the Goose Lake Basin. The compact protects this interest by requiring the consent of both State legislatures for the export of water from the basin and provides further restrictions on the interstate use and transfer of water within the basin.

Mr. President, I have been asked to introduce this legislation by the commissioners of Lake County, Oreg., and by interested parties in that county. By introducing this bill, I am hoping that questions and possible objections can be fully aired, and hopefully resolved, and the compact ratified.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

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

S. 1135

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress is hereby given to the Goose Lake Basin Compact between the States of California and Oregon, which compact is as follows:

"GOOSE LAKE BASIN COMPACT

"INDEX

"Article I	Purposes.
Article II	Definition of Terms.
Article III	Distribution and Use of Water.
Article IV	Administration.
Article V	Termination.
Article VI	General Provisions.
Article VII	Ratification.
Article VIII	Federal Rights.

"ARTICLE I. PURPOSES

"The major purposes of this compact are:

"A. To facilitate and promote the orderly, integrated and comprehensive development, use, conservation and control of the water resources of Goose Lake Basin.

"B. To further intergovernmental cooperation and comity and to remove the causes of present and future controversies by (1) providing for continued development of the water resources of Goose Lake Basin by the States of California and Oregon, and (2) prohibiting the export of water from Goose Lake Basin without consent of the legislatures of California and Oregon.

"ARTICLE II. DEFINITION OF TERMS

"As used in this compact:

"A. 'Goose Lake Basin' shall mean the drainage area of Goose Lake within the States of California and Oregon and all closed basins included in the Goose Lake drainage basin as delineated on the official map of the Goose Lake Basin which is attached to and made a part of this compact.

"B. 'Person' shall mean the States of Oregon and California, any individual and any other entity, public or private.

"C. 'Water', 'water' or 'water resources' shall mean any water appearing on the surface of the ground in streams, lakes, or otherwise, and any water beneath the land surface or beneath the bed of any stream, lake, reservoir, or other body of surface water within the boundaries of Goose Lake Basin.

"ARTICLE III. DISTRIBUTION AND USE OF WATER

"A. There are hereby recognized vested rights to the use of water originating in Goose Lake Basin existing as of the effective date of this compact and established under the laws of California and Oregon.

"B. Except as provided in this Article, this compact shall not be construed as affecting or interfering with appropriation under the laws of California and Oregon of unappropriated waters of Goose Lake Basin for use within the basin.

"C. Export of water from Goose Lake Basin for use outside the basin without prior consent of both State legislatures is prohibited.

"D. Each state hereby grants the right for a person to construct, and operate facilities for the measurement, diversion, storage, and conveyance of water from the Goose Lake Basin in one state for use within the basin in the other state, providing the right to such use is secured by appropriation under the general laws administered by the Water Resources Director of the State of Oregon or the Water Rights Board of California and the laws of the state from which the water is to be taken shall control.

"E. Should any facilities be constructed in one state to implement use of water in the other state, the construction, operation, repairs and replacements of such facilities shall be subject to the laws of the state in which the facilities are constructed.

"ARTICLE IV. ADMINISTRATION

"No commission or administrative body is necessary to administer this compact.

"ARTICLE V. TERMINATION

"This compact may be terminated at any time by consent of the legislatures of California and Oregon and upon such termination all rights then established hereunder shall continue unimpaired.

"ARTICLE VI. GENERAL PROVISIONS

"Nothing in this compact shall be construed to limit, or prevent any state from instituting or maintaining any action or proceeding, legal or equitable, in any court having jurisdiction thereof for the protection of any right under this compact or the enforcement of any of its provisions.

"ARTICLE VII. RATIFICATION

"A. This compact shall become operative when ratified by the legislatures of California and Oregon and consented to by the Congress of the United States.

"B. This compact shall remain in full force and effect until amended in the same manner as is required for it to be ratified to become operative or until terminated.

"C. A copy of any proposed amendments to or termination of this compact shall be

filed with the Board of Supervisors of Modoc County, California, and the County Court of Lake County, Oregon, at least 30 days prior to any legislative consideration by the legislatures of the States of California and Oregon.

"ARTICLE VIII. FEDERAL RIGHTS

"Nothing in this compact shall be deemed:

"A. To impair or affect the existing rights or powers of the United States of America, its agencies, or instrumentalities, in and to the use of the waters of the Goose Lake Basin nor its capacity to acquire rights in and to the use of said waters.

"B. To subject any property of the United States of America, its agencies or instrumentalities, to taxation by any state or subdivision thereof, nor to create an obligation on the part of the United States of America, its agencies or instrumentalities by reason of the acquisition, construction or operation of any property or works of whatsoever kind, to make any payments to any state or political subdivision thereof, state agency, municipality or entity, whatsoever in reimbursement for the loss of taxes.

"C. To subject any property of the United States of America, its agencies or instrumentalities, to the laws of any state to any extent other than the extent to which these laws would apply without regard to the compact."●

By Mr. TSONGAS:

S.J. Res. 87. Joint resolution designating a Day of Remembrance for Victims of Genocide; to the Committee on the Judiciary.

DAY OF REMEMBRANCE FOR VICTIMS OF GENOCIDE

● Mr. TSONGAS. Mr. President, April 24, 1984, will mark the 68th anniversary of one of the most dreadful episodes in history: The massacre of more than 1 million Armenians in Turkey between 1915 and 1923. On April 24 every year, Armenians throughout the world recall and mourn this genocide against their ancestors. Because I believe there is value in reminding Americans of this period of atrocities, I today am introducing a resolution calling on the President to designate April 24, 1984, a day of remembrance for all victims of genocide, especially those of Armenian ancestry.

The Armenian genocide has become known as the first genocide of the 20th century. The arrests, deportations, torture, and murder of that era must never be forgotten. It is imperative that we who value human life and dignity acknowledge such tragedies and strive to prevent them from happening again.

Basic to the U.S. heritage is a commitment to human rights. Our citizens have a long tradition of speaking out on behalf of those who cannot speak for themselves. And nothing is more fundamental to the American spirit than a willingness to provide refuge to those who have been persecuted and oppressed elsewhere in the world.

It is therefore only natural that this country should have become home to a large Armenian community and that we should sympathize with the plight of Armenians around the world. In Cyprus today, for example, Armenians have demonstrated an indomitable spirit in the face of a restrictive Turkish policy, and they deserve our continuing support.

The history of the Armenian people has been one of survival against overwhelming odds. Despite the horrors of the genocide of Armenians during the Ottoman Turkish Empire in the early part of this century, the Armenian people have remained faithful to their culture, values, and desire for freedom.

The genocide perpetrated against them must never be forgotten. By remembering such atrocities, people who have suffered under cruel and heinous regimes can maintain a sense of ethnic identity and alert future generations about evil in the past so as to avoid it in the future.

We are fortunate in the United States to have the benefit of ethnic diversity. In particular, in my home State of Massachusetts, we have benefited immensely from ethnic diversity. Our large Armenian community has greatly enhanced the quality of life in the Commonwealth by sharing its rich heritage and culture.

The Armenian people have been exemplary citizens of our Nation. They are leaders in the professions, in the arts and sciences, in the business community and in all levels of government.

As the Armenian community has overcome its great suffering and has flourished, so must other peoples take heart from their example and flourish despite repression against them and violations of basic human rights. We in the United States must unite behind human rights for all peoples who have suffered and continue to suffer.

For these reasons, Mr. President, I urge my colleagues to adopt the resolution I am introducing today to make April 24, 1984, a day of remembrance for victims of genocide.●

By Mr. DENTON (for himself, Mr. HATCH, Mr. BOSCHWITZ, Mr. CHAFEE, Mr. DOLE, Mr. EAST, Mr. HATFIELD, Mrs. HAWKINS, Mr. HEFLIN, Mr. HELMS, Mr. HUDDLESTON, Mr. HOLLINGS, Mr. INOUYE, Mr. JEPSEN, Mr. KASTEN, Mr. LAXALT, Mr. LEVIN, Mr. MATTINGLY, Mr. NICKLES, Mr. NUNN, Mr. ROTH, Mr. SPECTER, Mr. STENNIS, Mr. SYMMS, Mr. THURMOND, and Mr. TOWER):

S.J. Res. 88. Joint resolution to authorize and request the President to proclaim 1984 as the "National Year of Voluntarism"; to the Committee on the Judiciary.

NATIONAL YEAR OF VOLUNTARISM

Mr. DENTON. Mr. President, as chairman of the Subcommittee on Family and Human Services, I support the introduction of a voluntarism initiative package. I am pleased to cosponsor the 1983 amendments to the Domestic Volunteer Service Act, introduced by Senator HATCH, chairman of the Labor and Human Resources Committee. The amendments provide a 3-year reauthorization of the programs under the ACTION Agency. Those programs have proven to be very cost effective, and I am confident that Senator HATCH's amendments will improve them.

I am also pleased to introduce a Senate joint resolution to designate 1984 as the National Year of Voluntarism. My distinguished colleagues, Senators HATCH, BOSCHWITZ, CHAFEE, DOLE, EAST, HATFIELD, HAWKINS, HEFLIN, HELMS, HUDDLESTON, HOLLINGS, INOUYE, JEPSEN, KASTEN, LAXALT, LEVIN, MATTINGLY, NICKLES, NUNN, ROTH, SPECTER, STENNIS, SYMMS, THURMOND, and TOWER, are cosponsors of this resolution.

Community groups throughout American history have banded together and cooperated to alleviate individual and community crises. The voluntarism initiative will set an example for businesses and religious organizations to resume the role that they played and can play again in helping their fellow man. Our society must return to the principle that charity and good works begin at home, not through the welfare system in Washington.

I feel that it is appropriate to introduce the voluntarism initiative during National Volunteer Week. Our Nation's recognition of millions of Americans who perform voluntary service for their communities and less fortunate neighbors deserves recognition and support from the Congress. Accordingly, tomorrow, Friday, April 22, the Subcommittee on Family and Human Services will hold a hearing on voluntarism and the reauthorization of the Domestic Volunteer Service Act.

ADDITIONAL COSPONSORS

S. 7

At the request of Mr. CRANSTON, the name of the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 7, a bill to amend title XIX of the Social Security Act to extend medicaid eligibility to certain low-income pregnant women and newborn children.

S. 41

At the request of Mr. DURENBERGER, the name of the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 41, a bill to extend the revenue sharing program for local governments through fiscal year 1986.

S. 75

At the request of Mr. MELCHER, the name of the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of S. 75, a bill to repeal sec-

tions 301 through 308 of the Tax Equity and Fiscal Responsibility Act of 1982, which impose withholding on interest and dividends.

S. 144

At the request of Mr. DANFORTH, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 144, a bill to insure the continued expansion of reciprocal market opportunities in trade, trade in services, and investment for the United States, and for other purposes.

S. 163

At the request of Mr. INOUYE, the name of the Senator from South Caroline (Mr. HOLLINGS) was added as a cosponsor of S. 163, a bill to amend title XII of the Public Health service Act to provide for demonstration programs relating to emergency health care for children.

S. 212

At the request of Mr. PRESSLER, the name of the Senator from Washington (Mr. GORTON) was added as a cosponsor of S. 212, a bill to authorize funds for the United States Travel and Tourism Administration.

S. 269

At the request of Mr. MCCLURE, the name of the Senator from Alaska (Mr. STEVENS), and the Senator from Nevada (Mr. HECHT) were added as a cosponsor of S. 269, a bill to provide for the disposal of silver from the National Defense Stockpile through the issuance of silver coins.

S. 337

At the request of Mr. PACKWOOD, the name of the Senator from West Virginia (Mr. RANDOLPH), the Senator from California (Mr. CRANSTON), the Senator from Iowa (Mr. GRASSLEY), and the Senator from Idaho (Mr. SYMMS) were added as a cosponsor of S. 337, a bill to amend the Internal Revenue Code of 1954 to make permanent the deduction for charitable contributions by nonitemizers.

S. 397

At the request of Mr. HEINZ, the name of the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of S. 397, a bill to amend the Export Administration Act of 1979.

S. 418

At the request of Mr. SPECTER, the name of the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 418, a bill to amend the Unfair Competition Act of 1916 and Clayton Act to provide for further relief in the event of unfair foreign competition.

S. 453

At the request of Mr. WARNER, the names of the Senator from Utah (Mr. HATCH), and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S. 453, a bill to amend the Tariff Schedules of the United States to impose a one-tenth of one percent duty on apple and pear juice.

S. 476

At the request of Mr. LEVIN OF MICHIGAN, the name of the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 476, a bill to amend title II of the Social Security Act to require a finding of medical improvement when disability benefits are terminated, to provide for a review and right to personal appearance prior to termination of disability benefits, to provide for uniform standards in determining disability, to provide continued payment of disability benefits during the appeals process, and for other purposes.

S. 525

At the request of Mr. HEINZ, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 525, a bill to require that installment payments of revenue sharing allocations be paid at the beginning of each quarter.

S. 530

At the request of Mr. PELL, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 530, a bill to provide for a program of financial assistance to States in order to strengthen instruction in mathematics, science, computer education, foreign languages, and vocational education, and for other purposes.

S. 555

At the request of Mr. MOYNIHAN, the name of the Senator from Florida (Mrs. HAWKINS) was added as a cosponsor of S. 555, a bill to stop the proliferation of "cop-killer" bullets.

S. 571

At the request of Mr. ROTH, the name of the Senator from Minnesota (Mr. DURENBERGER) was added as a cosponsor of S. 571, a bill to amend the Federal Property and Administrative Services Act of 1949 to make Federal surplus property more accessible to local emergency preparedness and volunteer firefighting organizations and to authorize and direct the Federal Emergency Management Agency to recommend available Federal surplus to the Administrator of the General Services Administration, and for other purposes.

S. 583

At the request of Mr. HEINZ, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 583, a bill to amend the Tariff Schedules of the United States.

S. 586

At the request of Mr. HEINZ, the name of the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 586, a bill to direct the Secretary of Housing and Urban Development to undertake a program to demonstrate the feasibility of funding neighborhood development activities by providing Federal matching funds to private nonprofit neighborhood organizations on the basis of the voluntary contributions to such organizations from individuals, businesses, and religious institutions in their neighborhoods.

S. 591

At the request of Mr. INOUYE, the name of the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 591, a bill to amend the Internal Revenue Code of 1954 to provide a mechanism for taxpayers to designate $1 of any overpayment of income tax, and to contribute other amounts, for use by the U.S. Olympic Committee.

S. 602

At the request of Mrs. HAWKINS, the name of the Senator from North Carolina (Mr. EAST), the Senator from Pennsylvania (Mr. SPECTER), the Senator from Virginia (Mr. TRIBLE), the Senator from South Carolina (Mr. THURMOND), the Senator from Tennessee (Mr. BAKER), the Senator from Virginia (Mr. WARNER), the Senator from New Jersey (Mr. BRADLEY), and the Senator from Alaska (Mr. MURKOWSKI) were added as cosponsors of S. 602, a bill to provide for the broadcasting of accurate information to the people of Cuba, and for other purposes.

S. 657

At the request of Mr. DOLE, the name of the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of S. 657, a bill to amend the Animal Welfare Act to ensure the proper treatment of laboratory animals.

S. 684

At the request of Mr. ABDNOR, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 684, a bill to authorize an ongoing program of water resources research.

S. 707

At the request of Mr. RIEGLE, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 707, a bill to establish domestic content requirements for motor vehicles sold or distributed in interstate commerce in the United States.

S. 804

At the request of Mr. MATHIAS, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 804, a bill to reform the Federal criminal laws by establishing certain standards and limits for conducting Federal undercover operations and activities, and for other purposes.

S. 847

At the request of Mr. HEINZ, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 847, a bill to extend for 5 years the existing suspension of duty on crude feathers and down.

S. 905

At the request of Mr. RIEGLE, his name was added as a cosponsor of S. 905, a bill entitled the "National Archives and Records Administration Act of 1983".

S. 966

At the request of Mr. MCCLURE, the name of the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 966, a bill to amend the act of October 20, 1976 (90 Stat. 2662), as amended.

S. 1006

At the request of Mr. SPECTER, the name of the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 1006, a bill to to amend the Internal Revenue Code of 1954 to repeal the 15-percent reduction in percentage depletion for iron ore and coal.

S. 1036

At the request of Mr. DECONCINI, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 1036, a bill to clarify the application of the antitrust laws to professional team sports leagues, to protect the public interest in maintaining the stability of professional team sports leagues, and for other purposes.

S. 1052

At the request of Mr. ROTH, the name of the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 1052, a bill to make certain changes in the membership and operations of the Advisory Commission on Intergovernmental Relations.

SENATE JOINT RESOLUTION 29

At the request of Mr. HOLLINGS, his name was added as a cosponsor of Senate Joint Resolution 29, a joint resolution to prevent nuclear testing.

SENATE JOINT RESOLUTION 32

At the request of Mr. SYMMS, the name of the Senator from California (Mr. WILSON) was added as a cosponsor of Senate Joint Resolution 32, a joint resolution to provide for the designation of May 1983, as "National Arthritis Month".

SENATE JOINT RESOLUTION 48

At the request of Mr. MCCLURE, the names of the Senator from Utah (Mr. GARN), and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of Senate Journal Resolution 48, a joint resolution to amend the Constitution of the United States to limit budget outlays for a fiscal year to not more than 20 per centum of gross national product for such fiscal year.

SENATE JOINT RESOLUTION 50

At the request of Mr. LEVIN, the names of the Senator from Louisiana (Mr. LONG), and the Senator from Iowa (Mr. JEPSEN) were added as cosponsors of Senate Joint Resolution 50, a joint resolution designating the week beginning September 25, 1983, as "National Adult Day Care Center Week."

SENATE JOINT RESOLUTION 67

At the request of Mr. HEFLIN, the names of the Senator from Indiana (Mr. LUGAR), the Senator from Nevada (Mr. LAXALT), the Senator from Nebraska (Mr. EXON), the Senator from Mississippi (Mr. COCHRAN), the Senator from Illinois (Mr. DIXON), the Senator from Florida (Mrs. HAWKINS), the Senator from Iowa (Mr. JEPSEN), the Senator from Oklahoma (Mr. BOREN), the Senator from Ohio (Mr. GLENN), the Senator from Arkansas (Mr. PRYOR), the Senator from Arkansas (Mr. BUMPERS), The Senator from Texas (Mr. BENTSEN), the Senator from West Virginia (Mr. RANDOLPH), the Senator from South Carolina (Mr. HOLLINGS), the Senator from New York (Mr. MOYNIHAN), the Senator from Idaho (Mr. SYMMS), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. RIEGLE), the Senator from North Dakota (Mr. BURDICK), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Montana (Mr. BAUCUS), and the Senator from Idaho (Mr. MCCLURE) were added as cosponsors of Senate Joint Resolution 67, a joint resolution to designate the week of September 25, 1983, through October 1, 1983, as "National Respiratory Therapy Week."

SENATE JOINT RESOLUTION 75

At the request of Mr. SYMMS, the names of the Senator from West Virginia (Mr. RANDOLPH), the Senator from Mississippi (Mr. STENNIS), the Senator from Indiana (Mr. LUGAR), and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of Senate Joint Resolution 75, a joint resolution to provide for the designation of June 12 through 18, 1983 as "National Scleroderma Week."

SENATE JOINT RESOLUTION 77

At the request of Mr. DOLE, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of Senate Joint Resolution 77 a joint resolution designating "National Animal Agriculture Week."

SENATE JOINT RESOLUTION 81

At the request of Mr. HEINZ, the names of the Senator from Vermont (Mr. STAFFORD), and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of Senate Joint Resolution 81, a joint resolution to authorize and request the President to designate October 16, 1983, as "World Food Day."

SENATE CONCURRENT RESOLUTION 22

At the request of Mr. DOLE, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of Senate Concurrent Resolution 22, a concurrent resolution expressing the sense of the Congress with respect to implementing the objectives of the United States Decade of Disabled Persons (1983-92).

SENATE RESOLUTION 74

At the request of Mr. PELL, the name of the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of Senate Resolution 74, a resolution expressing the sense of the Senate concerning the future of the people on Taiwan.

SENATE RESOLUTION 95

At the request of Mr. PERCY, the names of the Senator from Arkansas (Mr. PRYOR), the Senator from Wisconsin (Mr. KASTEN), the Senator from North Carolina (Mr. EAST), and the Senator from Arkansas (Mr. BUMPERS) were added as cosponsors of Senate Resolution 95, a resolution to express the sense of the Senate that the President should initiate negotiations on a new long-term agreement on agricultural trade with the Soviet Union.

At the request of Mr. DOLE, the names of the Senator from Louisiana (Mr. LONG) and the Senator from California (Mr. CRANSTON) were added as cosponsors of Senate Resolution 95, supra.

SENATE RESOLUTION 106

At the request of Mr. THURMOND, the names of the Senator from Ohio (Mr. GLENN), the Senator from Vermont (Mr. STAFFORD), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Georgia (Mr. NUNN), the Senator from Arizona (Mr. DECONCINI), the Senator from Kentucky (Mr. HUDDLESTON) were added as cosponsors of Senate Resolution 106, a resolution to commemorate the 10th anniversary of the U.S. Product Safety Commission by designating the week of May 8, 1983, through May 14, 1983 as "National Product Safety Week."

SENATE RESOLUTION 116

At the request of Mr. GOLDWATER, the names of the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Rhode Island (Mr. CHAFEE), the Senator from New York (Mr. MOYNIHAN), the Senator from Tennessee (Mr. BAKER), the Senator from New York (Mr. D'AMATO), the Senator from North Carolina (Mr. HELMS), and the Senator from Oklahoma (Mr. NICKLES) were added as cosponsors of Senate Resolution 116 a resolution deploring the bombing of the U.S. Embassy in Beirut, Lebanon, and expressing the sorrow and condolences of the Senate on the death and wounding of Americans caught in the bombing, and for other purposes.

AMENDMENT NO. 1179

At the request of Mr. KASTEN, the name of the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of Amendment No. 1179 proposed to S. 144 a bill to insure the continued expansion of reciprocal market opportunities in trade, trade in services, and

investment for the United States, and for other purposes,.

AMENDMENT NO. 1180

At the request of Mr. THURMOND, his name was added as a cosponsor of Amendment No. 1180 proposed to S. 144, a bill to insure the continued expansion of reciprocal market opportunities in trade, trade in services, and investment for the United States, and for other purposes.

AMENDMENTS SUBMITTED

RECIPROCAL TRADE AGREEMENTS

SPECTER AMENDMENT NO. 1194

Mr. SPECTER proposed an amendment to the bill (S. 144) to insure the continued expansion of reciprocal market opportunities in trade, trade in services, and investment for the United States, and for other purposes, as follows:

At the appropriate place insert the following:

SEC. . Section 1 of the Clayton Act (15 U.S.C. 12) is amended by inserting after the words "nineteen hundred and thirteen;" the words "section 801 of the Act of September 8, 1916, entitled 'An Act to raise revenue, and for other purposes' (39 Stat. 798; 15 U.S.C. 72);".

SEC. . (a) Section 801 of the Act of September 8, 1916 (39 Stat. 798; 15 U.S.C. 72) is amended to read as follows:

"SEC. 801. (a)(1) If—

"(A) any article manufactured or produced in a foreign country is sold within the United States at a United States price which is below the cost of production,

"(B) such importation or sale—

"(i) causes or threatens material injury to industry in the United States, or

"(ii) prevents, in whole or in part, the establishment of any industry in the United States, and

"(C) any person is injured in his business or property by reason of such sale, such person may bring a civil action against any manufacturer or exporter or such article or any importer of such article into the United States who is related to such manufacturer or exporter in the District Court of the District of Columbia.

"(2) In any action brought under paragraph (1), upon a finding of liability on the part of the defendant, the plaintiff shall—

"(A) recover damages for the injury sustained or be granted such equitable relief as may be appropriate, and

"(B) recover the costs of the action, including reasonable attorney's fees.

"(b) The standard of proof in any action filed under subsection (a) is a preponderance of the evidence. Upon a prima facie showing of the elements set forth in subsection (a), or upon a final determination by the Department of Commerce or the International Trade Commission under section 735 of the Tariff Act of 1930 (19 U.S.C. 1673d) relating to imports of the article in question for the country in which the defendant is located, which final determination shall be considered a prima facie case for purposes of this Act, the burden of rebutting such prima facie case thus made shall be upon the defendant.

"(c) Whenever it shall appear to the district court of the District of Columbia that justice requires that other parties be brought before the court, the court may cause them to be summoned, whether they reside in the district or not, and the subpenas to that end may be served and enforced in any district of the United States.

"(d) The acceptance by any foreign manufacturer, producer or exporter of any right or privilege conferred upon him to sell his products or have his products sold by another party in the United States shall be deemed equivalent to an appointment by the foreign manufacturer, producer, or exporter of the District Director of the United States Customs Service of the Department of the Treasury for the port through which the article is commonly imported to be the true and lawful agent upon whom may be served all lawful process in any action brought under this section.

"(e)(1) An action may be brought under this section only if such action is commenced within four years after the date on which the cause of action accrued.

"(2) The running of the statute of limitations provided in paragraph (1) shall be suspended while any administrative proceedings under section 731, 732, 733, 734, or 735 of the Tariff Act of 1930 (19 U.S.C. 1673-1673d) relating to the importation in question, or any appeal of a final determination in such proceeding, is pending and for one year thereafter.

"(f) If a defendant in any action brought under subsection (a) fails to comply with any discovery order or other order or decree of the court, the court may—

"(1) enjoin the further importation into, or the sale or distribution within, the United States by such defendant of articles which are the same as, or similar to, those articles which are alleged in such action to have been sold or imported under the conditions described in subsection (a) until such time as the defendant complies with such order or decree, or

"(2) take any other action authorized by law or by the Federal Rules of Civil Procedure, including entering judgment for the plaintiff.

"(g)(1) Except as provided in paragraph (2), the confidential or privileged status accorded by law to any documents, evidence, comments, or information shall be preserved in any action under this section.

"(2) The court in any action brought under this section may—

"(A) examine, in camera, any confidential or privileged material,

"(B) accept depositions, documents, affidavits, or other evidence under seal, and

"(C) disclose such material under such terms and conditions as the court may order.

"(h) Any action brought under this section shall be advanced on the docket and expedited in every way possible.

"(i) For purposes of this section—

"(1) The terms 'United States price', 'cost of production', 'subsidy', and 'material injury', shall have the respective meaning given such terms by title VII of the Tariff Act of 1930, as amended.

"(2) If—

"(A) a subsidy is provided to the manufacturer, producer, or exporter of any article, and

"(B) such subsidy is not included in the cost of production of such article (but for this paragraph),

the cost of production of such article shall be increased by the amount of such subsidy.".

(b) It is the sense of the Congress that the provisions of this section are consistent with, and in accord with, the General Agreement on Tariffs and Trade (GATT).

PRESSLER (AND BAUCUS) AMENDMENT NO. 1195

Mr. PRESSLER (for himself and Mr. BAUCUS) proposed an amendment to the bill S. 144, supra; as follows:

At the appropriate place in the bill, insert the following:

SEC. . (a) The Congress finds that—

(1) in 1976 the International Trade Commission found that honey imports threatened serious injury to the domestic honey industry and recommended action to control honey imports,

(2) the domestic honey industry is essential for production of many agricultural crops,

(3) a significant part of our total diet is dependent directly or indirectly on insect pollination,

(4) it is imperative that the domestic honey bee industry be maintained at a level sufficient to provide crop pollination.

(b) It is the sense of the Congress that—

(1) the Secretary of Agriculture should promptly request the President to call for an International Trade Commission investigation of honey imports, under section 22 of the Agriculture Adjustment Act.

LONG AMENDMENT NO. 1196

Mr. LONG proposed an amendment to the bill S. 144, supra; as follows:

On page 24 of the bill at line 5 after the word "sector;" add the following:

"For purposes of the collection and analysis required by this subsection, and for the purpose of any reporting the Department of Commerce makes to the Congress of the United States, such collection and reporting shall distinguish between income from investment and income from non-investment services."

COHEN AMENDMENT NO. 1197

Mr. COHEN proposed an amendment to the bill S. 144, supra; as follows:

At the end of page 29, add the following:

SEC. . CONGRESSIONAL FINDINGS.

The Congress finds that—

(1) since obtaining relief under existing domestic trade remedies is complex and expensive due to legal costs, documentation requirements for petitions, and judicial review, such remedies are unavailable to most small businesses;

(2) existing trade remedies are unavailable to producers of perishable commodities because of the length of the normal proceedings; and

(3) more weight should be given to regional economic impact in proceedings under section 201 of the Trade Act of 1974.

SEC. . ESTABLISHMENT OF SMALL BUSINESS TRADE ASSISTANCE OFFICE.

(a) ESTABLISHMENT OF OFFICE.—There shall be within the Department of Commerce a Small Business Trade Assistance Office (hereinafter in this section referred to as the "Office") administered by a Director.

(b) FUNCTIONS OF OFFICE.—

(1) INFORMATION AND PETITION ASSISTANCE.—The Office shall—

(A) provide full information to small businesses concerning—

(i) remedies and benefits available to them under the trade laws, and

(ii) the petition and application procedures, and the appropriate filing dates, with respect to such remedies and benefits; and

(B) provide assistance to small businesses in preparing petitions and applications to obtain such remedies and benefits.

(2) ASSISTANCE IN PAYING REASONABLE PROCEEDING EXPENSES.—

(A) IN GENERAL.—The Director of the Office shall establish and maintain a system for paying reasonable expenses incurred in connection with any proceeding described in paragraph (1) by any small business which the Director determines to be in need of assistance in paying such expenses.

(B) LIMITATION ON AMOUNT.—With respect to any proceeding, awards for reasonable expenses under subparagraph (A) shall be made for—

(i) 100 percent of such expenses to the extent not in excess of $50,000, and

(ii) 50 percent of such expenses to the extent in excess of $50,000.

(C) NO EXPENSES FOR FRIVOLOUS, ETC. ACTIONS.—No award shall be made under this paragraph with respect to any action which the Director of the Office determines to be frivolous or to have been initiated for purposes of harassment or delay.

(D) TIME OF PAYMENT.—Payments may be made under subparagraph (A) with respect to any proceeding only after determinations made in such proceeding have become final and no longer appealable.

(3) DEFINITIONS.—For purposes of this subsection—

(A) REASONABLE EXPENSES.—The term "reasonable expenses" includes attorneys' fees and expenses for data collection.

(B) SMALL BUSINESS.—The term "small business" means—

(i) a small business concern (within the meaning of section 3 of the Small Business Act) that produces or manufacturers goods, or

(ii) an association substantially all of the members of which are small business concerns (as so defined) that produce or manufacturer goods.

(d) ANNUAL REPORTS.—The Director of the Office shall submit an annual report on the operation of the Office to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives. Such report shall include a recommendation of legislation which is necessary to enable the Office to carry out its functions.

(e) ESTABLISHMENT OF SMALL BUSINESS TRADE ACCESS TRUST FUND.—

(1) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the Small Business Trade Access Trust Fund (hereinafter in this section referred to as the "Trust Fund"), consisting of such amounts as may be transferred or credited to the Trust Fund as provided in this section or otherwise appropriated to the Trust Fund.

(2) TRANSFER TO TRUST FUND OF AMOUNTS EQUIVALENT TO CERTAIN CUSTOMS DUTIES.—

(A) IN GENERAL.—The Secretary of the Treasury shall transfer to the Trust Fund out of the general fund of the Treasury of the United States amounts determined by the Secretary of the Treasury to be equivalent to amounts received into such general fund that are attributable to countervailing duties and antidumping duties imposed under title VII of the Tariff Act of 1930 (19 U.S.C. 1671, et seq.).

(B) METHOD OF TRANSFER.—The amounts which are required to be transferred under subparagraph (A) shall be transferred at least quarterly from the general fund of the Treasury of the United States to the Trust Fund on the basis of estimates made by the Secretary of the Treasury of the amounts referred to in subparagraph (A) that are received into the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(3) MANAGEMENT OF TRUST FUND.—

(A) REPORT.—It shall be the duty of the Secretary of the Treasury to hold the Trust Fund, and to report to the Congress each year ending on or after September 30, 1984, on the financial condition and the results of the operations of the Trust Fund during the preceding fiscal year and on its expected condition and operations during the fiscal year and the next 5 fiscal years after the fiscal year. Such report shall be printed as a House document of the session of the Congress to which the report is made.

(B) INVESTMENT.—

(i) IN GENERAL.—It shall be the duty of the Secretary of the Treasury to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired—

(I) on original issue at the issue price, or

(II) by purchase of outstanding obligations at the market price.

(ii) SALE OF OBLIGATIONS.—Any obligation acquired by the Trust Fund may be sold by the Secretary of the Treasury at the market price.

(iii) INTEREST; PROCEEDS FROM SALES AND REDEMPTIONS.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

(4) AVAILABILITY OF TRUST FUND.—Amounts in the Trust Fund shall only be available for making expenditures, as provided by appropriations Acts, to carry out the program established under subsection (b)(2).

(f) EFFFECTIVE DATE.—The provisions of this section shall apply to fiscal years beginning after September 30, 1983.

SEC. . FACTORS TAKEN INTO ACCOUNT TO DETERMINE MATERIAL INJURY.

(a) IN GENERAL.—Section 771(7) of the Tariff Act of 1930 (19 U.S.C. 1677) is amended by adding at the end thereof the following new subparagraph:

"(F) SPECIAL RULES FOR SMALL BUSINESS.—

"(i) IN GENERAL.—In any case in which the petitioner is a small business, the Commission, in making any determination as to material injury, shall consider the separate circumstances of the petitioner, including the fact that information may or may not be available to different petitioners by reason of different resources or otherwise.

"(ii) SMALL BUSINESS DEFINED.—For purposes of this paragraph, the term 'small business' means—

"(I) a small business concern (within the meaning of section 3 of the Small Business Act), or

"(II) an association substantially all of the members of which are small business concerns (as so defined).".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to petitions filed on or after the date of the enactment of this Act.

SEC. . REGIONAL IMPACT TO BE TAKEN INTO ACCOUNT.

(a) IN GENERAL.—Subsection (c) of section 202 of the Trade Act of 1974 (19 U.S.C. 2252) is amended—

(1) by striking out "and" at the end of paragraph (8);

(2) by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and"; and

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

"(10) in any case in which the petitioner is a small business (within the meaning of section 771(7)(F)(ii) of the Tariff Act of 1930)—

"(A) the general economic situation (including employment levels and opportunities) in the major geographic area (within the meaning of section 201(b)(3)(C)) in which the small business is located;

"(B) the impact of fluctuations in exchange rates on any industry in such major geographic area; and

"(C) the ability of any such small business to adjust by converting to alternative product lines.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to petitions filed on or after the date of the enactment of this Act.

SEC. . SPECIAL PROCEDURES FOR PERISHABLE PRODUCTS.

(a) IN GENERAL.—Chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 204. SPECIAL RULES FOR PERISHABLE PRODUCTS.

"(a) If a petition is filed under section 201 in connection with any perishable product, the petitioner may at any time file with the Secretary of Agriculture a petition under this section for emergency action.

"(b) Within 14 days after a petition has been filed under subsection (a), the Secretary of Agriculture shall make a determination as to whether there is reason to believe the perishable product is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry producing a perishable product like or directly competitive with the imported product.

"(c)(1) If the Secretary of Agriculture makes an affirmative determination under subsection (b), he shall recommend to the President emergency action to be taken.

"(2) If the Secretary of Agriculture does not make an affirmative determination under subsection (b), he shall publish notice of his determination and notify the petitioner.

"(d) Within 7 days after receipt of any recommendation under subsection (c)(1), the President shall—

"(1) issue a proclamation ordering relief consisting of such actions as are described in section 203 and as he determines necessary, or

"(2) publish notice of his determination not to take action.

"(e) Action taken under subsection (d)(1) shall cease to apply—

"(1) upon a determination by the President to provide (or not to provide) relief in connection with a petition filed under section 201 with respect to the perishable product,

"(2) on the date the Commission makes a negative determination under section 201(b) with respect to such a petition, or

"(3) whenever the President determines such relief is no longer warranted as a result of changed circumstances.

"(f) Any petitioner may, after a negative determination under subsection (c)(2) or (d)(2), file another petition under this section with respect to such product—

"(1) within 90 days of such determination, or

"(2) at any earlier date in the case of changed circumstances.

"(g) For purposes of this section, the term 'perishable product' means—

"(1) fresh or chilled vegetables provided for in items 135.10 through 138.42 of the Tariff Schedules of the United States;

"(2) fresh mushrooms provided for in item 144.10 of such Schedules;

"(3) fresh fruit provided for in items 146.10, 146.20, 146.30, 146.50 through 146.62, 146.90, 146.91, 147.03 through 147.33, 147.50 through 149.21, and 149.50 of such Schedules; and

"(4) fresh cut flowers provided for in items 192.17, 192.18, and 192.21 of such Schedules.".

(b) CONFORMING AMENDMENT.—The table of sections for chapter 1 of title II of the Trade Act of 1974 is amended by adding at the end thereof the following new item:

"Sec. 204. Special rules for perishable products.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to petitions filed after the date of the enactment of this Act.

NATIONAL ORGAN DONATION AWARENESS WEEK

HELMS AMENDMENT NO. 1198

Mr. STEVENS (for Mr. HELMS) proposed an amendment to the joint resolution (S.J. Res. 78) to authorize and request the President to issue a proclamation designating April 24 through 30, 1983, as "National Organ Donation Awareness Week"; as follows:

At the end of the resolution add the following:

Upon request of the North Carolina School of the Arts, Winston-Salem, North Carolina, the Secretary of Commerce shall authorize such school to lease to any person the Stevens Center for the Performing Arts building, without affecting the Federal assistance provided by a grant under the Public Works and Economic Development Act of 1965, if such transfer documents provide for the operation of such facility as a performing arts center.

NOTICES OF HEARINGS

SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

Mr. QUAYLE. Mr. President, the Subcommittee on Employment and Productivity will hold hearings on S. 811, the "Health Care for Displaced Workers Act of 1983" and related issues on May 3, 1983.

The subcommittee is particularly interested in information on the following issues:

First. What impact has unemployment had on health insurance coverage of workers and their families?

Second. What impact has the loss of health insurance coverage had on health care for the unemployed and their families?

Third. What impact has the loss of health insurance coverage had on alternative methods for providing or financing health care?

Fourth. Estimates of the number and demographic composition of persons who have lost health care due to unemployment.

Fifth. The costs of alternative methods of providing or financing health care for such workers and their families.

Sixth. Advantages and disadvantages of alternative administrative mechanisms for providing or financing health care for the unemployed and their families.

Persons wishing to testify should contact Bob Guttman or Diann Howland at (202) 224-6306 or c/o Subcommittee on Employment and Productivity, 428 Dirksen Senate Office Building, Washington, D.C. 20510 by April 28.

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

Mr. PACKWOOD. Mr. President, I wish to announce that the Subcommittee on Taxation and Debt Management of the Senate Finance Committee will hold a hearing at 9:30 a.m. on Friday, April 29, 1983. Two bills will be considered: S. 249 and S. 825.

The purpose of this statement is to briefly explain the issues raised by the bills scheduled. This may help in charting the progress of tax legislation before the subcommittee. It will also help assure greater public awareness of tax amendments coming before hearings.

A short synopsis of the bills scheduled follows:

S. 249—THE EMPLOYEE EDUCATIONAL ASSISTANCE EXTENSION ACT

S. 249 introduced by Senator PACKWOOD (for himself), Senators BENTSEN, SYMMS, BOREN, DURENBERGER, MOYNIHAN, ANDREWS, PRYOR, BURDICK, MATSUNAGA, TRIBLE, and RIEGLE. This bill makes permanent the exclusion from income for amounts paid to employees under educational assistance programs provided by the employer. It also extends this exclusion to spouses and dependents and allows employer-provided educational assistance plans to be offered under cafeteria benefit plans. Finally, it allows reimbursement for the cost of meals, travel or lodging under qualified educational assistance programs.

S. 825—UNRELATED BUSINESS TAXABLE INCOME

S. 825 introduced by Senator BENTSEN would exclude income from the sale of membership lists from the unrelated business income tax on nonprofit organizations.

ADDITIONAL STATEMENTS

WE MUST GIVE YOUNG AMERICANS THE OPPORTUNITY TO WORK

● Mr. STAFFORD. Mr. President, earlier this week, the Committee on Environment and Public Works completed 6 days of hearings on the infrastructure/jobs issue. One of the key elements in our discussion was title V of S. 724, legislation which I have sponsored, together with my friend and colleague, Senator RANDOLPH.

Title V of S. 724 would establish an ambitious program to encourage youth employment, to develop programs serving both our cities and our rural areas, to give young Americans an opportunity to enter the job market in a meaningful way.

Mr. President, I am absolutely convinced of the need to provide job opportunities for our young Americans. At the hearing earlier this week, we heard persuasive testimony to that effect, testimony that was reported at some length by the New York Times. Mr. President, I ask that a copy of the Times article be printed at this point in the RECORD.

The article referred to follows:

[From the New York Times, Apr. 19, 1983]

BLACK TEEN-AGE JOB PLIGHT: LACK OF SKILL AND HOPE

WASHINGTON, April 18.—Janet L. Norwood, the Commissioner of Labor Statistics, said today that the startlingly high unemployment rate among black teen-agers was the result of lack of skills and lack of hope.

In testimony before the Senate Environment and Public Works Committee, Dr. Norwood called the situation "one of the most important social problems we have."

In March, the unemployment rate for black teen-agers was 45 percent, as against 23.2 percent for all 16- to 19-year-olds. For young adults 20 to 24, the rate was 14.9 percent.

Dr. Norwood said black teen-agers had faced special problems since the mid-1950's, when black and white youngsters had roughly the same unemployment experience.

"Since then, however, black unemployment rates have risen much faster than for whites," Dr. Norwood said. "Even more disconcerting is the labor force participation of black teen-agers."

"During the 1970's, the teen-age participation rate rose steadily to a high of 58 percent in 1979," she continued. "While the rates for white teen-agers have continued to rise during nonrecessionary periods over the last 10 years, the participation rate for black teen-agers, particularly young black males, has trended downward.

"In 1982, only 36.6 percent of the nation's black teen-agers was working or looking for work. The proportion employed is even lower. Consequently, black youth labor market problems are not limited solely to unemployment but extend to those that have chosen not to enter the labor force at all."

Senator Robert Stafford, Republican of Vermont, chairman of the committee, which

is considering job legislation, said he had found the low participation among black teenagers in the labor force "startling."

Senator Jennings Randolph, Democrat of West Virginia, the Committee's senior Democrat, asked whether families were encouraging teen-agers to keep looking for work.

Dr. Norwood replied that she believed the problem was a "lack of education and low-income homes where there is very little hope and encouragement."

In their testimony, Sydney Howe, executive director of the Human Environment Center, and Solon Cousins, representing the YMCA, YWCA, Red Cross, Big Brothers-Big Sisters, and a variety of other youth organizations, supported a proposal for a $1.5 billion conservation corps patterned after a similar corps formed during the Depression.

COMPETITION AMONG GRADUATES

WASHINGTON, April 18.—There are now so many college graduates and so few jobs for them that they are beginning to displace high school graduates in occupations that traditionally have not required a college degree, Dr. Norwood said.

She said that college graduates were increasingly competing for work with high school graduates and that the situation was likely to continue through the 1980's because of changing economic and education patterns. "More college graduates are expected to enter the labor force than there will be jobs requiring a college degree," she added.

"Between 1970 and 1980," she told the committee, "only about 80 percent of those college graduates who entered the labor force found professional, technical, managerial and other jobs that have traditionally required a college degree. The remainder entered retail sales, service, farm and blue-collar jobs, occupations that had employed few graduates in the past."

The committee is studying long-term unemployment problems, as well as problems posed by the deterioration of public facilities such as highways, bridges and office buildings.

Dr. Norwood said that the failing national economy caused unemployment to rise among college graduates in the 1970's, just as it caused more joblessness within other groups. But the situation was worsened, she continued, by an increasing number of college graduates entering the job market.

In discussing the problem of high unemployment among young people, particularly young blacks, Dr. Norwood warned of the possible development of a "more permanent" problem. She said that in addition to the loss of income, a prolonged unemployment experience, even if intermittent, could deprive young people of the opportunity to develop skills and accustom themselves to the world of work.●

SEVENTY-FIVE YEARS OF SERVICE TO THE PUBLIC AND THE LAW

● Mr. MOYNIHAN. Mr. President, I should like to take a moment of the Senate's time, if I might, to mark a truly auspicious milestone for the New York Bar—indeed an important event in the history of the American legal profession. Seventy-five years ago today 143 New York attorneys officially incorporated the New York County Lawyers' Association.

Over the past three quarters of a century, the association has compiled a record of achievements that has been both progressive and professional. The NYCLA has, for example, honored its commitment to serving all sections of the legal profession and to providing a broad range of legal services by encouraging a diverse membership. Firm lawyers, single practitioners, members of the judiciary and court staff, and government officials, all make important contributions to the association. Moreover, the NYCLA was one of the first bar associations in our Nation to eliminate all barriers to membership based on race or sex, demonstrating through its actions that such barriers have no place in the American legal tradition.

The association has been equally as innovative in its approach to solving the complex legal problems of our times. In answer to the growing caseload of the Supreme Court of New York County, the association created a "voluntary assistance to the courts" program that allows the referral of thousands of cases to several hundred volunteer attorneys. To keep lawyers apace of rapidly changing laws and practices, the association offers seminars on current practice in its practical legal education program. To insure that quality legal services are available to all segments of the public and not simply those who can afford it, the NYCLA has extended its services beyond the private sector to public interest groups as well.

It should come as little surprise, then, that the membership of the association is now over 10,000 lawyers, 75 times the number who formed the NYCLA back in 1908. Members of the legal profession are quite naturally drawn to such an organization, which capably responds to new demands of the legal profession, while at the same time holding steadfastly to the commitment of its founders: to serve both the public and the profession.

Indeed, it is not too much to say that the NYCLA has played a leading role in making New York the world's legal capital. I am proud of its achievements, and very much wish its members continued success. We honor the association today—as it has brought honor to us through its many good deeds over the past 75 years.●

USDA STANDS BY FARM BORROWERS

● Mr. HELMS. Mr. President, recently an editorial in one of my State's newspapers, the Asheville Citizen, asked the question, "Will Uncle Sam Foreclose Farm?" It attempted to portray this administration as hardhearted in dealing with delinquent farmers Home Administration borrowers. This, of course, is not so.

I have just read a response to the Asheville newspaper by FmHA Administrator Charles Shuman. Mr. Shuman is quite persuasive in dismantling the editorial simply by stating the facts. Even with our farm economy difficulties, FmHA has been able to continue to work with 97.1 percent of their borrowers. And, a fact largely misunderstood or ignored by agency detractors, is that of the farmers who had to go out of business, liquidation was forced by lenders other than the Farmers Home Administration in many of the cases.

Mr. President, how can it be charged that FmHA policies are too harsh when, during the past fiscal year, they aggressively worked with over 42,000 delinquent borrowers to avoid foreclosure? The Secretary of Agriculture has used all of the authorities at his disposal to assist borrowers, including deferrals, rescheduling or reamortizing existing debt and the subordination of security to other lenders.

The fact that over 97 percent of last year's FmHA borrowers are still in business is testimony to the lengths this administration has been willing to go to assist these farmers.

I believe it would be helpful for Senators to read Mr. Shuman's letter in order to gain a better understanding of this situation. Therefore, I ask that his letter be printed in the RECORD at the conclusion of my remarks.

The letter follows:

U.S. DEPARTMENT OF AGRICULTURE,
FARMERS HOME ADMINISTRATION,
Washington, D.C., Apr. 18, 1983

Mr. RICK GUNTER,
Editorial Page Editor, The Asheville Citizen, Post Office Box 2090, Asheville, N.C.

DEAR EDITOR: The answer to your March 24 editorial, "Will Uncle Sam Foreclose Farm?", is no, we're not.

At the end of the last fiscal year, September 30, 1982, Farmers Home Administration (FmHA) stayed with 97.1 percent of the 270,000 farm borrowers it started the year with. Only 844 (3/10ths of one percent) were foreclosed. Another 6,000 (1.4 percent) liquidated their loans for financial reasons and another 1,245 (4/10ths of one percent) chose bankruptcy. In a large number of cases, the decision to leave the land was not caused by Farmers Home, but by action of another lender.

Despite a delinquency rate of 25 percent on September 30, the vast majority of Farmers Home borrowers stayed in farming—largely as a result of this Administration's policy of going the extra mile with farmers who are suffering economic hardship for reasons beyond their control. For instance, in fiscal year 1982: 12,689 borrowers had their Farmers Home loans rescheduled or reamortized—stretched out—including 3,608 who received deferral of their principal or interest payments or both; in yet another 29,994 cases, we subordinated our secured property—land or chattel—to other lenders so that our borrowers could obtain needed credit beyond our statutory limits.

In the 1983 fiscal year which began October 1, 1982, farm failures for financial reasons are down substantially—445 below the first three-month average of 1982.

Farmers Home Administration is a lender of last resort, offering credit only to those who can't get loans through commercial channels.

Thus, our borrowers are the most hard-pressed financially in the farm community. Given this fact, we believe that Farmers Home's record during the difficult year of 1982 speaks well for the agency and for those 97 percent of our borrowers who made it through the year.

Sincerely,

CHARLES W. SHUMAN,
Administrator.●

A CALMER LOOK AT SOCIAL SECURITY

● Mr. MOYNIHAN. Mr. President, on March 17, 1983, the New York Review of Books published an excellent article by Alicia Munnell of the Federal Reserve Bank of Boston, which, I think, provides an intellectually sound response to a previously published criticism of the social security system by Peter Peterson. I ask that the article, "A Calmer Look At Social Security", be printed in the RECORD and urge all Senators to give it their careful attention.

The article follows:

A CALMER LOOK AT SOCIAL SECURITY

(By Alicia H. Munnell)

Peter Peterson's obvious good intentions and apparent lack of a "vociferous constituency" have lent his two-part article on Social Security an aura of accuracy and intelligence that it does not deserve. Peterson has overstated the system's financial problems, has found a link between the expansion of Social Security and the decline in the nation's productivity that cannot be substantiated, and has used this purported link as a basis for advocating draconian benefit cuts. His analysis and recommendations must not go unchallenged.

1. THE MAGNITUDE OF THE PROBLEM: NO CRASH FOR SOCIAL SECURITY

The first step in understanding the Social Security financing situation is to separate the problems of the Old Age, Survivors, and Disability Insurance (OASDI) program from those of the Hospital Insurance (HI) system. The future financing requirements of HI are extremely uncertain, since rapidly escalating hospital costs have caused both public and private health insurance programs to become increasingly expensive. Restoring long-run balance to the HI system will undoubtedly require fundamental reform in the way we provide hospital care. For this reason, the National Commission on Social Security Reform and others have focused their attention on the OASDI portion of the program. The answer is not, as Peterson suggests, to accept past rates of increase for HI expenditures and then cut the OASDI program by an amount equal to four times its own deficit in the year 2000 in order to transfer those funds to the Hospital Insurance program. The next step, which is useful for sorting out the financing problems in the OASDI program, is to divide the future into three separate time periods—1983-1989, 1990-2014, 2015-2060.

1983-1989: Between now and 1989, the OASDI program is projected under the Trustees' most pessimistic economic assumptions to run a deficit of about $200 billion (see Table 1). If the economy performs somewhat better, the shortfall may be close to $75 billion. In any event, when the interfund borrowing authority expires in July 1983, the OASI trust fund, the largest of the Social Security trust funds, will be unable to pay all benefits on time. Even if interfund borrowing were extended, all three funds OASI, DI, and HI, together will be exhausted by mid-1984. The immediacy of the projected shortfall has caused many to characterize the Social Security program's short-term problems as catastrophic and the press constantly refers to the impending "bankruptcy" of the system. In fact, the magnitude of the deficits forecast for the next seven years is relatively manageable, roughly 4 to 10 percent of annual outlays, and numerous options are available for restoring solvency. More importantly, the reasons for the current deficits are well understood and future problems of this type can be avoided by modifying the indexing procedure.

TABLE 1.—ESTIMATED INCREASE IN REQUIRED REVENUES FOR THE OASDI PROGRAM, 1983-89 [1]

[Billions of dollars]

	Economic Assumption	
	Intermediate (II-B)	Pessimistic (III)
1983	22	26
1984	15	26
1985	7	20
1986	8	25
1987	8	30
1988	8	34
1989	7	40
1983-89	75	201

[1] Revenue required to increase target trust fund ratio of assets to annual outlays to 15 percent by the beginning of 1988.

Source: National Commission on Social Security Reform, Actuarial Cost Estimates for OASDI and HI and for Various Possible Changes in OASDI and Historical Data for OASDI and HI (Washington, DC, November 1982), Table 10C.

The most appropriate point from which to trace the origins of the current financing problems is 1977, since legislation passed in that year dramatically revised the Social Security financing and benefit provisions to restore fiscal balance to the program. However, payroll tax rates were established on the traditional assumption that the rate of growth of taxable wages would equal the rate of increase in prices plus an additional amount for productivity growth. This was a perfectly reasonable assumption, since it reflected the performance of the US economy over the entire postwar period. After 1977, however, the traditional relationship between prices and wages reversed and price increases exceeded wage growth. The projected balance in the trust funds is extremely sensitive to the relationship between these economic variables. The rate of wage growth determines the rate at which revenues grow, while the rate of increase in prices determines the rate at which benefit expenditures increase since benefits are indexed to the consumer price index. Moreover, the rapid inflation was accompanied by high unemployment which further worsened the financial outlook, since fewer people contribute revenue to the trust funds and more people, finding themselves unemployed, are likely to take early retirement.

Since the current financing problems can be traced to past experience with overly optimistic assumptions, the obvious question is whether the $75 to $200 billion deficit projected for the next seven years is realistic. Table 2 compares forecasts of productivity growth and the unemployment rate underlying the intermediate (II-B) and pessimistic assumptions (III) from the 1982 Trustees' Report and two independent forecasters, Chase Econometrics and Data Resources, Inc. Generally, the projections of the private forecasters fall somewhere between the intermediate and pessimistic assumptions, although considerably nearer the former. Hence, planning on a deficit somewhere between $75 billion and $200 billion for the next seven years seems like a very reasonable strategy.

TABLE 2.—COMPARISON OF PROJECTIONS FOR PRODUCTIVITY GROWTH AND THE UNEMPLOYMENT RATE, 1982-89

[In percent]

	Trustees		Chase	DRI
	II-B	III		
Productivity growth:				
1982	−0.3	−0.9	−0.6	−0.6
1983	0.2	−2.3	0.5	0.6
1984	0.7	−1.8	0.8	0.3
1985	0.3	0.0	0.3	−0.1
1986	1.0	0.3	0.8	0.4
1987	1.1	0.3	1.5	1.2
1988	1.3	0.5	1.6	1.2
1989	1.5	0.7	1.6	1.2
Unemployment rate:				
1982	9.1	9.3	9.7	9.7
1983	8.5	9.8	10.1	10.1
1984	8.0	9.6	9.2	8.9
1985	7.7	8.8	8.3	8.0
1986	7.4	8.4	8.1	7.5
1987	7.1	8.0	7.6	7.0
1988	6.8	7.7	7.2	6.7
1989	6.4	7.3	6.8	6.6

Source: U.S. Department Health and Human Services, Social Security Administration, "1982 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds" (U.S. Government Printing Office, 1982), Table 10, pp. 32-33; Data Resources, Inc., database; Chase Econometrics/Interactive Data Corporation database.

1990-2014: In marked contrast to the next seven years, the outlook for OASDI financing is relatively favorable for the period 1990-2014. The primary reason is demographic. The low fertility rates during the late 1920s and the 1930s will be reflected in a considerable reduction in the rate of increase in the population over age sixty-five during the 1990's. As a result, the ratio of workers to beneficiaries, which has declined continually since 1940, is estimated to remain stable for the next twenty to thirty years at its current level of roughly three to one. With a stable ratio of workers to beneficiaries, even modest productivity gains will reduce the cost of Social Security as a percent of payroll.

If an upsurge in productivity occurs and wages rise by 1.5 percent more than prices, as assumed under the intermediate (H-B) economic assumptions, then revenues will exceed outlays over the entire period and the trust funds will accumulate surpluses rapidly, reaching 177 percent of the annual outgo by 2010. On the other hand, if the realwage differential is closer to 1 percent, as under the pessimistic assumptions, then outlays will slightly exceed revenues—an average of 12.9 percent versus 12.4 percent of taxable payrolls—and no balances will accumulate.

The future costs of the system and the total of trust-fund balances could be made considerably more predictable by revising the procedure for indexing benefits. As noted earlier, the OASDI program is thrown into deficit when unanticipated inflation and low wage growth cause outlays to increase more rapidly than revenues. This type of instability can be avoided only by linking post-retirement cost-of-living adjustments directly to the growth of wages. For example, indexing retirement and disability

benefits by the rate of wage growth minus 1.5 percent would provide the same benefits as the current price indexing of benefits under the intermediate (II-B) assumptions. This reform would not only eliminate the short-run instability, but would also lock in the economic assumptions to insure the buildup of reserves during the 1990-2014 period.

2015-2060: The third period is characterized by rapidly rising costs as the baby-boom generation starts to retire. At the same time, the growth in the labor force slows markedly, reflecting the precipitous decline in the fertility rate which began in the mid-1960s. These two factors cause the ratio of beneficiaries to workers to increase dramatically. Assuming that the fertility rate will rise gradually from the current level of 1.8 to a long-run rate of 2.1 (the intermediate assumption), the Social Security Administration projects that the number of beneficiaries per 100 covered workers will rise from 31 in 1982 to 50 by 2035. If the fertility rate declines to 1.7 (the pessimistic assumption), then the number of beneficiaries per 100 workers will increase to 67 by 2035.

With a pay-as-you-go system the increase in this crucial ratio produces a substantial increase in costs as a percentage of payrolls. The question is, what is a reasonable estimate of the magnitude of the long-run problem? Is Peterson's assertion that "to close the deficits in the Social Security system under the 'pessimistic' projection would take a payroll-tax rate of above 44 percent in 2035" even remotely realistic?

Let us assume for the time being that the pessimistic demographic assumptions are borne out. Under these assumptions, the projected tax rate for the OASDI portion of the program for the year 2035 is 24 percent of payrolls. In order to bring the total to 44 percent, HI outlays must rise to 20 percent of taxable payrolls. Outlays for HI today account for only 18 percent of total expenditures under the Social Security program; it is difficult to believe that we will allow the HI program to grow to a point where the cost for hospital insurance (20 percent of taxable payrolls) roughly equals the total cost to support the aged, disabled, their dependents and survivors (24 percent of payrolls).

Moreover, the pessimistic demographic assumptions are not consistent with other forecasts. The pessimistic projections are based on the assumption that fertility rates will decline from the 1980 level of 1.83 to an ultimate long-run rate of 1.7 by 2005. The intermediate assumption is that fertility will increase gradually to a long-run rate of 2.1. Of the two assumptions, the evidence tends to support the higher. First, until October of this year, the Census Bureau's "middle" series assumed a long-run fertility rate of 2.1. Although the Census now assumes that fertility rates will remain fairly steady, increasing slightly from 1.83 to 1.96 in 2000 and then decreasing to 1.90 births per woman in 2050, the fertility rate has increased over the last five years and the data on expected births indicate that young women continue to expect to have more than two children over their lifetimes. Thus, even with the downward revisions of the projections, current Census data appear more consistent with the intermediate than with the pessimistic assumptions. In addition, most observers, including Peterson, acknowledge that the conventional assumption for Social Security projections of net immigration of 400,000 persons a year may substantially understate the number of people entering the country each year. When illegal as well as legal immigration is considered, the working population is likely to be substantially larger than the fertility assumptions alone would indicate.

If the intermediate demographic assumptions are the more realistic over the long run and the system is stabilized by linking post-retirement indexing directly to wage growth, then the projected cost of the OASDI portion of the program is 15 percent for the year 2035, and current estimates of the costs for the HI program for the same year run around 11 percent. Thus, the cost for the entire Social Security program, assuming no major reform of Medicare, would be about 26 percent, that is, 13 percent for the employer and 13 percent for the employee. This compares to current rates of 6.75 each for the employer and employee.

It is important to note, however, that the 26 percent tax rate would be levied on a much smaller portion of the worker's total compensation than is taxable today. According to the Trustees' projections, the ratio of cash wages to total compensation is estimated to decline from 84.2 percent in 1980 to 67.4 percent by the year 2035. Since the payroll tax is levied only on cash wages, the expansion of fringe benefits reduces the tax base and boosts the percentage of taxable payroll required for paying benefits. If fringe benefits remain a constant percentage of total compensation, then the required tax rate for the OASDI portion of the program in the year 2035 would be 12 percent and for HI another 9 percent. In other words, in terms of the tax base we have today, the total required tax for OASDI and HI in the year 2035 would be 21 percent, or 10.5 percent each for the employee and the employer.

Moreover, the increased cost of Social Security after the turn of the century must be put into perspective. First, higher taxes do not mean that the Social Security program will be any more generous in the future than it is today, but rather reflect the inescapable burden of a very large dependent population in the twenty-first century. If the elderly are not supported through Social Security, the working population will probably end up providing equivalent support through some other program, since most people fail to save adequately on their own for retirement and many do not have private pension coverage.

Second, those concerned about higher Social Security costs often ignore the fact that long-term projections of lower fertility will result in fewer children per worker. If the economic burden on active workers is measured in terms of total dependents rather than just aged retirees, then the picture looks quite different. The total dependency ratio (the ratio of the number of people under age twenty and over age sixty-five per 100 people age twenty to sixty-four) will be lower in the year 2035 than it was in the 1960s. The rise in the aged will be more than offset by a decline in dependent children, thereby freeing resources which could be devoted to providing for the elderly.

Finally, while a projected tax rate of 15 percent for OASDI and 26 percent for the entire program for 2035 represents a substantial increase over the current levy, it is considerably below the present payroll tax rates in many European countries. Austria, West Germany, Italy, Sweden, and the Netherlands already have rates for programs comparable to OASDI in excess of 18 percent of payroll and total payroll taxes far in excess of any projected rate for this country.

In summary, Social Security's long-term deficits, like its short-term financing problems, are manageable. Costs are scheduled to increase, but Peterson's assertion that payroll taxes will take 44 percent of the average worker's wages is nonsense. A more realistic assessment reveals that the costs for OASDI will increase from the current level of 10.8 to 15.0 by 2035. Even assuming that HI taxes are allowed to increase from their current level of 2.6 to 11.0 percent, the overall required tax rate in the year 2035 would be 26 percent, 13 percent each for employees and employers. If fringe benefits did not continue to erode the tax base, the required rate would fall to 21 percent.

2. ELIMINATING THE DEFICITS: DRASTIC CUTS NOT "SALVATION"

After his cataclysmic discussion of the magnitude of the problem, Peterson sets the stage for advocating extensive benefit reductions by (1) attributing our low productivity growth to Social Security's financing problems, (2) dismissing out-of-hand the possibility of raising payroll taxes, and (3) dispelling the "myths" that have traditionally protected Social Security benefits from abrupt cuts. As we shall see, these premises provide a very weak foundation for Peterson's ultimate recommendations.

Social Security and Productivity. Peterson argues that the rise in Social Security outlays has contributed to the large government deficits which, in turn, have absorbed savings that could have been used to finance plant and equipment. Greater investment would have increased the amount of capital per worker and a higher capital/labor ratio would have led to greater productivity.

While this argument sounds plausible, it is factually incorrect, since it presumes that (1) the Social Security program has been a substantial contributor to the federal deficit, (2) the slump in investment is the result of savings being diverted from the private sector to finance government deficits, and (3) the declining ratio of capital to labor is solely attributable to inadequate investment. None of these presumptions is correct.

Social Security revenues have exceeded outlays on balance between 1965 and 1982, the period of declining productivity in the US. Thus, over this period Social Security has not increased federal deficits but rather has been a net contibutor to the government coffers. Even during the more recent period of 1970 to 1982, revenues have exceeded outlays by more than $2 billion. Between 1975 and 1982, the period of greatest fiscal pressure, Social Security outlays did exceed revenues, but Social Security deficits totaled only $20 billion, less than $3 billion per year, as compared to total federal deficits of $500 billion, or more than $60 billion per year, for the same period. Hence, to date, Social Security has not been an important factor in the deficits of the federal government.

More importantly, federal deficits have not been the cause of the decline in investment during the 1970s. Studies have shown that much of the slump in investment is directly attributable to the impact of repeated recessions on capacity utilization and corporate profitability. The persistence of excess capacity substantially undermines the incentive to build more plant and equipment, while the decline in corporate profitability reduces the expected return on new investment. The situation is worsened by the interaction of inflation and an unindexed corporate tax structure that leads to rising

real tax burdens and even lower after-tax returns on investment.

Finally, even if investment had proceeded at a steady pace, the capital/labor ratio would have declined during the 1970s because of the enormous growth in the labor force. As the baby boom generation matured, women and teenagers joined the work force in unprecedented numbers. Between 1970 and 1982 the civilian labor force increased at an annual rate of 2.5 percent, compared to 1.8 percent during the 1960s.

In short, Social Security has not caused federal deficits, deficits are not the reason for low investment, low investment is not the only reason for the decline in the capital/labor ratio and the resulting low productivity. No economic link exists between the substantial growth in the Social Security program over the past fifteen years and the decline in the rate of productivity growth.

Rising Payroll Taxes: While Social Security has not been a major source of federal deficits in the past, substantial shortfalls are projected in the next few years. As discussed earlier, the gap between revenues and outlays for OASDI between now and 1989 may be as much as $200 billion. To avoid deficits of this magnitude, either outlays must be reduced or revenues increased. Although many experts have suggested moving forward OASDI payroll-tax increases scheduled for 1985 and 1990 to January 1984, Peterson dismisses this option as totally unacceptable. He provides no justification for this conclusion, but the implication is that all the projected deficits must be eliminated by reducing benefits.

Exploding the Myths: In order to provide some justification for the disproportionate reliance on benefit reductions as opposed to tax increases, Peterson attempts to dispel several "myths" in order to establish that individuals should not feel entitled to their Social Security benefits and that the elderly do not need the current level of benefits provided by Social Security.

Myth 1—It is "my money": According to Peterson, the fact that people feel they have paid for their benefits is the "most damaging myth of all." He documents the well-known fact that current retirees get back much more than they have ever contributed. He also reiterates the view that a system that allows retirees to receive benefits out of proportion to lifetime payroll-tax contributions plus interest "will remain fundamentally out of balance." These two issues will be addressed in reverse order.

Estimates show that the average worker retiring today will receive benefits equal to more than twice the combined employer-employee payroll-tax contributions made on his behalf plus accumulated interest. These high ratios of benefits to contributions, however, do not imply that the system is fundamentally unsound. Rather, the current high ratio of benefits to contributions is the inevitable result of the start-up phase of a pay-as-you-go system. Although the original Social Security legislation in 1935 provided for the creation of a substantial trust fund, only a few years later, in the critical 1939 amendments to the original legislation, Congress decided to pay benefits in excess of contributions to the entire first generation of retirees. This was, in fact a decision not to build up the trust fund that would have accumulated if current workers' contributions had been stockpiled for their retirement.

However, it was felt at the time of the Great Depression that the needs of current retirees warranted the shift to a pay-as-you-go system. For the next few decades, benefits could be financed with modest payroll taxes because coverage continued to expand and the number of retirees were relatively few compared to the number of workers. Therefore, people retiring now and in the near future, who worked during the years when payroll taxes were low, will receive benefits considerably in excess of contributions. As the system matures, however, and the number of beneficiaries stabilizes relative to the number of workers, the average retiree will receive benefits which are roughly equal in present value terms to combined employee and employer contributions. This ratio will then tend to remain constant for all subsequent generations as long as population growth and real-wage increases remain relatively stable. In short, the current high ratio of benefits to contributions and the projected decline in this ratio over the next seventy-five years are to be expected and do not reflect any fundamental flaw in the system's financial structure.

The other question, however, is whether the fact that current retirees receive benefits far in excess of contributions can be used to justify benefit cuts. It seems difficult to argue that individuals close to retirement who have planned on a particular level of income from Social Security should have their benefits reduced precipitously. These people have neither the time nor the resources to adjust their plans. Our essential collective commitment to the Social Security program will be undermined if benefit provisions can be changed abruptly.

The longer the lead time, the more reasonable it becomes to legislate benefit reductions. However, as we move into the next decade we find the ratio of benefits to contributions rapidly approaching unity. Thus, for the period for which benefit reductions are a reasonable option to consider, the "windfall" component disappears.

In short, contrary to Peterson's arguments, the excess of benefits over contributions for current retirees neither signals a fundamental flaw with the financing nor provides an acceptable rationale for reducing benefits.

Myth 2—The elderly are by definition needy: Peterson quotes figures from a survey that showed that only 17 percent of the elderly regarded low income as a problem for them personally and 58 percent of the elderly thought that it was hardly a problem at all. Moreover, Peterson notes that the percentage of elderly below the poverty level declined from 35.2 to 15.7 in the last twenty years. He implies that Social Security benefits are superfluous not only because the elderly as a group are not poor but also because a high proportion of the benefits go to people above the poverty line.

It is true that the economic status of the aged has improved dramatically in the last twenty years. The major reason is that Social Security is our most successful antipoverty program. Approximately 90 percent of persons aged sixty-five and over are Social Security recipients, and for two-thirds of these recipients, Social Security accounts for more than half of total income. With such an enormous dependence on Social Security, any significant reduction in the program could adversely affect the economic well-being of a large portion of the elderly and reverse the gains that have been made over the last two decades.

If Social Security were simply a welfare program, then the percentage of funds channeled to the poor would be an appropriate criterion on which to evaluate the system. But this is not the case. Social Security is a national insurance program that protects all insured workers and their dependents and survivors against the loss of earnings that results from disability, retirement, or death. Since social insurance benefits do not require a proof of need, anyone who has contributed to the program for the required period of time is eligible for benefits. As a result, people feel no stigma attached to these payments, in marked contrast to their attitude toward means-tested welfare benefits. Survey after survey has shown that the American people approve of a government retirement program that provides benefits as a matter of earned right. Since Social Security is not designed as a welfare system, the fact that a significant proportion of benefits goes to individuals whose income is above the poverty line does not imply a weakness in the program.

Moreover, disproportionate cuts in the benefit for higher-paid workers would endanger public support for the program. Social Security's progressive benefit formula already produces proportionally greater benefits for lower-paid workers than for higher-paid employees. Further reductions in the benefits for those with above-average earnings would mean that as the system matures, these people would receive benefits that are less than combined employee and employer contributions plus interest. If this were to happen, support for the Social Security program would decline.

Thus, Peterson fails to construct a convincing argument for either general benefit reduction or for benefit cuts for high-income workers.

Myth 3—The elderly are physically unable to work beyond age sixty-five: No one, to my knowledge, has taken this position. Certainly, it is difficult in the curent environment with the great majority of people retiring well before age sixty-five and more than 10 percent of the labor force without jobs, to envision delaying retirement and keeping people in the work force until age sixty-eight. In the next decade, however, as life expectancy continues to increase, the rate of growth of the labor force slows, and the industrial structure shifts away from manufacturing toward the service industries, it may be possible and perhaps even desirable to encourage people to work longer.

In designing provisions to encourage later retirement, however, it is essential to remember that some older workers will not be able to engage in gainful employment past age sixty-two and must have access to some form of income support. If the decision is made to postpone the age at which retirement benefits are first available, then people who are prevented from working by physical disability will need access to an expanded disability insurance program. While current law makes some allowance for age in determining disability by applying a more liberal test to those aged fifty or older, more explicit recognition of the interaction of age and physical impairment may be required.

Summary: In considering alternative approaches to restoring fiscal solvency to the Social Security program, Peterson summarily rejects the option of raising taxes. He then attempts to establish the case for benefit reductions by arguing that individuals retiring now receive benefits far in excess of contributions, that the elderly as a group are not poor, and that substantial benefits go to the lopsided approach to deficit reduction that Peterson advocates.

3. A BALANCED SOLUTION TO SOCIAL SECURITY FINANCING

Three principles should guide reform of Social Security financing. First, the burden should be shared between workers and retirees by combining some tax increases with some benefit reductions. Second, tax increases and benefit cuts should be considered separately for the OASDI and HI portions of the program. Third, the instability in the system must be reduced in order to avoid repeated short-run financing crises. A reform package that incorporates these principles is presented in Table 3. The most notable feature is that this package does not involve any drastic cuts or major restructuring of the program. The proposals are also very similar to those recommended by the majority of the bipartisan Commission on Social Security Reform.

TABLE 3.—A BALANCED APPROACH TO FINANCING THE OASDI PROGRAM

[Dollars in billions]

Reform	Cost impact		
	1983–89		Long-term (percent of payroll)
	II–B	III	II–B
Short-run: 1983–89:			
1. Accelerate 1985 and 1990 scheduled rate increase to 1984	$133	$135	−0.09
2. Cover all nonprofit employees and new federal, state, and local workers	32	35	−0.55
3. Increase OASDI tax rate for self-employed to combined employer-employee rate	18	17	−0.20
4. Delay date of COLA from July to October	23	35	−0.14
5. Tax 50 percent of OASDI benefit when income above $12,000 per single person, $18,000 per couple	38	38	−0.50
Medium-run: 1990–2014:			
6. Revise indexing to equal wage growth less 1.5			
Long-run: 2015–2060:			
7. Eliminate any remaining deficit by splitting burden between tax increase and benefit reductions either by lowering replacement rates or raising retirement age			−0.33
Total	244	260	−1.80
Deficit	75	201	1.80

Source: Cost estimates for National Commission on Social Security Reform, "Actuarial Cost Estimates for OASDI and HI and for Various Possible Changes in OASDI and Historical Data for OASDI and HI" (Washington, D.C. November 1982).

To cover the projected shortfall of roughly $200 billion between now and 1989, the proposal increases revenues for the OASDI program by moving forward the scheduled 1985 and 1990 tax increases to January 1984. Additional revenues are also generated by extending coverage to employees of nonprofit institutions, new federal employees, and new employees of state and local governments not currently participating in Social Security. Such a reform is clearly desirable even if it did not have positive short-run revenue implications, since under the present system those workers who are entitled to civil service or state or local pensions can easily achieve insured status under Social Security and receive relatively large Social Security benefits in addition to their regular pension. These dual beneficiaries profit from the progressive benefit structure, which was designed to help low-wage workers rather than workers whose second career entitles them to benefits.

Finally, revenue could also be gained and the equity of the system improved by raising the tax on the self-employed to a level equal to the combined tax for employees and employers. Of course, to fully equalize the treatment of self-employed and salaried workers, the self-employed should be allowed a tax deduction under the personal income tax for the part of their payroll-tax contribution that corresponds to the employer's share.

Abrupt and significant benefit cuts are neither desirable nor feasible in the short run, but the two selective changes included in the proposed package could substantially reduce outlays over the next seven years. The most straightforward proposal is to shift the date for the cost-of-living adjustment from July to October. This change would not only produce a reduction in outlays, but would also align the adjustments with the beginning of the new fiscal year.

Another form of benefit reduction, which would be desirable even if additional revenues were not needed, is the proposal to include 50 percent of Social Security benefits in taxable income for those individuals who have incomes in excess of $12,000 and couples with incomes in excess of $18,000. Such a reform would move toward equalizing the tax treatment of Social Security and private pension benefits, which under current law are taxed in full to the extent that they exceed the employee's own contributions. To assure that no low-income individuals are adversely affected, the taxation of benefits can be phased in gradually by adopting the provisions currently applicable to unemployment insurance benefits, whereby only those single people and married couples with incomes over stated limits are required to include benefits in taxable income.

The combination of taxing benefits in this manner, shifting the indexing one quarter, extending coverage, raising the tax rate on self-employed, and accelerating the scheduled tax increases will generate more than enough revenues to cover deficits under even the Trustees' pessimistic economic assumptions. These are not onerous changes, and most are desirable reforms in and of themselves.

As noted earlier, at least by 1990 a fundamental change must be made in the procedure for indexing benefits in order to eliminate the instability in the program. The repeated short-run crises can be avoided by linking the post-retirement cost-of-living adjustment directly to the growth in wages. Indexing retirement benefits by the rate of wage growth minus 1.5 percent would duplicate the benefits scheduled under the II-B assumptions. This reform would not only provide short-run stability, but would also ensure that long-run costs do not exceed those projected under intermediate (II-B) assumptions.

Even with the revised indexing procedure and the revenue increases and benefit reductions proposed for the 1983-1989 period, further changes will be required to completely eliminate the long-term deficit for OASDI. A logical and equitable approach would be to divide the burden equally by both lowering replacement rates and increasing tax rates. In all likelihood, replacement rates would probably decline by less than 5 percent and taxes would have to be raised by less than 0.5 percent each for employees and employers.

In short, Mr. Peterson has done a great disservice to the public by exaggerating the Social Security system's financial problems, distorting the facts about the impact of Social Security on the economy, and misrepresenting the issues relating to the justification for the program. His analysis and his proposals to drastically cut Social Security retirement benefits by an amount equal to four times the OASDI deficit in the year 2000 should be rejected.●

CITIZEN OF THE YEAR

● Mr. DODD. Mr. President, on April 16, the Norwich, Conn., Area Chamber of Commerce honored a very special man with its Citizen of the Year Award: attorney Milton L. Jacobson. The chamber recognized that those of us who have been lucky enough to work with Milton over the years have known for some time: He is an individual of unique courage and conviction with an uncanny ability to get things done.

As Congressman from the Second District, which includes Norwich, I knew I could count on Milton Jacobson when I needed help. Through those years and now, as Senator, I have come to value his advice and expertise, specifically in community development. For the fact is, the city of Norwich would not be the same without him.

For my colleagues unfamiliar with Norwich, Conn., let me tell them it is a city of great promise. Like many northeastern industrial cities—abandoned by the industries which created and sustained them—Norwich faced many difficult years. But the city is fighting back and Milton Jacobson is and has been in the front lines of that battle. Look around the city today and every major development bears his mark: The Norwich Industrial Park, a model of community development; and the new Norwich courthouse, now being completed, are but a few examples.

For the more than three decades since Milton Jacobson first adopted Norwich, his dedication to this city and its people has helped sustain both. He was instrumental in forming the Norwich Community Development Corp., served as president of the New London County Bar Association, and has gained statewide prominence for his ability as an attorney. Others know, as I do, that when an obstacle seems insurmountable or a job impossible to complete, you can call Milton. The obstacle will be overcome and the job completed successfully.

Norwich owes a great deal to Milton Jacobson. He has helped pave that city's road to revitalization and continues building. The Norwich Area Chamber of Commerce award recognizes that great contribution but, for many of us, it seems we can never adequately acknowledge or thank Milton for all he has done. All we can do, it seems, is hope he keeps on doing it.

Mr. President, the Norwich Bulletin articulately expressed that community's admiration and respect for Milton in its April 16 editorial. I request that this editorial be reprinted in the RECORD at the close of my remarks.

The editorial follows:

NORWICH CITIZEN OF THE YEAR

Milton L. Jacobson is a man of strong enthusiasms. Fortunately for his adopted city, most of them have to do with the development and progress of Norwich. Small wonder he has been chosen to receive the "Citizen of the Year" award from the Norwich Area Chamber of Commerce. Tonight there will be a dinner in his honor at the Norwich Sheraton Inn.

But it is appropriate to wonder which year he is being recognized for. His work for the community, it seems, has been uninterrupted in the past two decades. And the monuments to his efforts stand out in the Rose City.

Is the award for his tireless work over 15 years on behalf of the Norwich Industrial Park? The park is considered to be a pioneering work and a model of community industrial development. The enthusiasm and the drive of Milton Jacobson, as sparkplug of the Norwich Community Development Corporation, can be given much of the credit for the park's outstanding successes, past, present and future.

Perhaps he is being recognized for the years of effort, ingenuity and dealing that were required to bring a new courthouse to downtown Norwich, to become a milestone on the road to revitalization. Jacobson refused to be intimidated by the obstacles against the project. That is why the construction of the courthouse is now nearing completion.

"This community has been good to me," Jacobson said the other day, "I feel it is the responsibility of every citizen to put back into the community at least what he took out of it."

Well said. And it is the responsibility of the community to acknowledge its debt to an outstanding citizen. Tonight, there will be at least partial repayment. It is, everyone agrees, long, long overdue.●

TAIWAN'S DESTINY

● Mr. PELL. Mr. President, I should like to call the attention of my colleagues to an article that appeared in the Wall Street Journal on April 11, entitled "Taiwanese Long To Shape Their Own Destiny." The article, written by Prof. Trong R. Chai of the City University of New York, reflects the hopes and aspirations of millions of Taiwanese. In Dr. Chai's words:

> Unless the future of Taiwan is determined by the people on Taiwan, there will be no just solution to the Taiwan problem.

This is not only an idea that I heartily endorse but also an important motivation behind my Senate Resolution 74 which I introduced on February 28. Senate Resolution 74 calls for the Senate to declare:

> . . . that Taiwan's future should be settled peacefully, free of coercion and in a manner acceptable to the people on Taiwan and consistent with the laws enacted by Congress and the communique entered into between the United States and the People's Republic of China.

Mr. President, I hope my colleagues will read Dr. Chai's highly informative article, which I ask to have printed in the RECORD, and will support Senate Resolution 74.

The article follows:

TAIWANESE LONG TO SHAPE THEIR OWN DESTINY

(By Trong R. Chai)

House Speaker Thomas P. O'Neill Jr., leading a congressional delegation to China, conceded in Peking March 30 that "we had no knowledge before we came here of the strong position of the Chinese government with regard to the Taiwan question." Since this question can greatly affect the well-being of the Taiwanese, Americans should also know how the islanders want to be governed.

The Shanghai Communique, which set the course of U.S.-Taiwan relations, ignores the wishes of the people on Taiwan. On Feb. 28, 1972, President Nixon and Premier Chou En-lai issued that communique, stating that "the United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China." On the basis of the communique, the U.S. established diplomatic relations with China and terminated official ties with Taiwan in 1979.

Last August, in the so-called second Shanghai communique, the U.S. reiterated this acknowledgement and even came close to accepting the Chinese claim of sovereignty over the island by indicating that the U.S. "has no intention of infringing on Chinese sovereignty and territorial integrity." To carry out this hands-off intention, the U.S. further pledged "to reduce gradually its sales of arms to Taiwan, leading over a period of time to a final resolution."

What the U.S. acknowledged in these communiques was the position of mainland Chinese, not that of native Taiwanese, who constitute 85% of the population on Taiwan. But mainland Chinese cannot speak for the 18 million people on the island.

Taiwan has had political ties with the Chinese mainland for only four of the last 90 years—from 1945 to 1949. The Taiwanese have developed their own identity, and they are no more Chinese than Americans are British. Just as Britain cannot decide the destiny of Americans, mainland China cannot determine the future of Taiwan. Indeed, in the 1930s Mao Tse-tung himself maintained that the Taiwanese were entitled to govern themselves and that Taiwan should become an independent nation.

And just as mainland China cannot determine Taiwan's future, neither can the Chinese on Taiwan, who fled to the island with Chiang Kai-shek in 1949. These mainlanders brought with them political institutions established in China in 1947, which are now atrophied and ineffective. Congressmen elected 35 years ago by people on the mainland still remain in office in Taiwan; their mean age is 80 and, on average, one of them dies each week.

Native Taiwanese account for less than 10% of the representation in national legislative bodies. The governor of Taiwan and the mayors of the two largest cities are appointed by the Kuomintang (KMT)—not elected by the people. The Taiwan authorities, therefore, represent neither China nor Taiwan.

The wishes of the people on Taiwan have been silenced by martial law for more than one-third of a century. But in December 1971—on the eve of President Nixon's historic visit to China—the Presbyterian Church in Taiwan, the only voluntary association on the island free from dominance by the KMT, issued a statement to "oppose any powerful nation disregarding the rights and wishes of 15 million people and making unilateral decisions to their own advantage, because God had ordained and the United Nations Charter has affirmed that every people has the right to determine its own destiny."

Six years later, the church asserted Taiwanese wishes for independence by urging the KMT "to face reality and to take effective measures whereby Taiwan may become a new and independent country."

Last September, a similar joint statement was issued by four leading Taiwanese politicians from their prison cells. They said: "For the past 300 years, our courageous ancestors have come to settle in Taiwan, in order to gain freedom. With their new thinking and new way of life, they developed a spirit of self-reliance and laid the foundation for a democratic society. The long separation between Taiwan and mainland China has resulted in a significant difference between both sides in the nature of society." Consequently, the four leaders maintained that "in the long-term interest of Taiwan, to carry out democracy on the island is far more urgent and important than unification with China."

The people on Taiwan do not wish Taiwan to become a part of China, but to become a new nation, independent of China. In fact, Taiwan is capable of becoming an independent country. Its gross national product exceeded $43 billion in 1982. Its per-capita income, $2,350, is the third highest in Asia, and the island has a larger foreign trade than that of China and has more people than 121 of the 157 members of the United Nations.

The Shanghai Communique of 1972, reaffirmed in 1982, ignores the political aspirations of the Taiwanese and has lost its moral ground. Unless the future of Taiwan is determined by the people on Taiwan, there will be no just solution to the Taiwan problem.●

NATURAL GAS CONSUMER ACCESS AMENDMENTS OF 1983

● Mr. DIXON. Mr. President, yesterday, in cooperation with Senator PERCY, I introduced S. 1119, a bill to amend the Natural Gas Pipeline Policy Act of 1978 to establish natural gas pipelines as common carriers.

The printing of the bill in the RECORD was inadvertently omitted, Mr. President, and for that reason I would like to ask that S. 1119 be printed in today's RECORD.

The bill (S. 1119) follows:

S. 1119

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Natural Gas Consumer Access Amendments of 1983".

COMMON CARRIAGE

SEC. 2. (a) Section 311(a) of the Natural Gas Policy Act of 1978 (15 U.S.C. 3371(a)) is amended to read as follows:

"(a) COMMON CARRIAGE.—

"(1) GENERAL RULE.—A pipeline shall, without discrimination, transport natural gas on reasonable request of the owner of such natural gas, if—

"(A) no later than 30 days before the date of the requested transportation, such owner

submits to such pipeline a formal application for transportation which shall include documentation for the sale of a minimum of a total of 250 Mcf per day of natural gas from and to any number of points on the transporter's system for a period of at least 6 months, except that the Commission may, on a case by case basis, modify such notice and minimum tender requirements after application and hearing;

"(B) such owner agrees to compensate the pipeline in accordance with the tariff rates established by the Commission; and

"(C) the pipeline has sufficient available throughput capacity, including the capacity with full use of compression and looping facilities.

"(2) RATES AND CHARGES.—

"(A) MAXIMUM RATES AND CHARGES.—Within 180 days after the date of the enactment of the Natural Gas Consumer Access Amendments of 1983, the Commission shall, by regulations, establish maximum rates and charges for the transportation of natural gas by pipelines under this subsection, and such rates and charges shall be just and reasonable within the meaning of the Natural Gas Act.

"(B) RATES TO PERMIT COMPENSATION AND PROFIT.—Such rates and charges shall be designed to reasonably compensate any pipeline for expenses incurred by such pipeline in transporting natural gas or in the gathering, treatment, processing, delivery, or similar service in connection with any such transportation. The Commission will also provide an opportunity for such pipleine to earn a reasonable profit on such services.

"(C) ITEMIZED INVOICE FOR SEPARATE SERVICES.—Under the regulations prescribed under subparagraph (A), the Commission shall identify separate services to be itemized under this subsection and shall require each pipeline which provides such services to provide to each purchaser of such services an itemized invoice which shall specify the amount charged for each of such services.

"(D) COSTS AND EXPENSES OF UNUSED FACILITIES.—The costs or expenses of facilities not used in cases in which pipeline services are provided to an individual purchaser of services pursuant to this subsection shall not be included in the rates and charges for such services, unless the Commission specifically finds that public necessity requires otherwise.

"(E) OFF-PEAK AND INTERRUPTIBLE SERVICE RATES AND CHARGES.—In establishing rates and charges pursuant to this subsection, the Commission may—

"(i) take into account the lower costs (including lower opportunity costs) associated with usage of the facilities of pipelines during off-peak periods; and

"(ii) provide for separate rates and charges for interruptible service.

"(3) ADMINISTRATIVE RESPONSIBILITIES REGARDING INTRASTATE PIPELINES.—

"(A) IN GENERAL.—The responsibilities of the Commission over any intrastate pipeline (as described in paragraph (4)(B)) under the other paragraphs of this subsection may be delegated by the Commission to the State commission (as defined in section 2(8) of the Natural Gas Act) having ratemaking jurisdiction over such pipeline.

"(B) PROCEDURES; ADMINISTRATION.—The Commission shall establish waiver, review, and appeal procedures in accordance with the principles of section 503 (relating to State commission responsibilities over well determinations).

"(4) PIPELINE DEFINED.—For purposes of this subsection and section 315, the term 'pipeline' means—

"(A) any interstate pipeline, and

"(B) any intrastate pipeline engaged in or affecting interstate commerce.

"(5) REGULATION OF COMMON CARRIERS.—The Commission shall prescribe regulations governing contractual relationships and obligations relating to the transportation of natural gas under this subsection. Regulations shall be prescribed under this paragraph not later than 180 days after the date of the enactment of the Natural Gas Consumer Access Amendments of 1983.

"(6) PIPELINE DEVELOPMENT.—

"(A) IN GENERAL.—For purposes of increasing available throughput capacity under paragraph (7), the Commission may require the interconnection of the facilities of 2 or more pipelines, or may require the extension or modification of the facilities of any pipeline or pipelines.

"(B) COMPRESSOR FACILITIES AND LOOPING.—Such extension or modification may include the installation of additional compressor facilities to increase transmission capacity and the looping of transmission lines.

"(C) COMPLIANCE WITH NATURAL GAS ACT.—No interconnection, extension, or modification under this paragraph shall be required unless the Commission, pursuant to section 7 of the Natural Gas Act, determines that public convenience and necessity require such interconnection, extension, or modification.

"(D) PAYMENT OF COSTS.—The development and capital costs of any interconnection, extension, or modification under this paragraph shall be paid by the purchaser making the transportation request. Such costs shall be subject to recovery under paragraph (2).

"(E) OTHER INTERCONNECTION PERMITTED.—Nothing in this subsection shall be construed to limit the ability of any person to construct or alter such facilities as are necessary to connect with the facilities of any pipeline, including any pipeline which has been required to make such interconnection.

"(7) AVAILABLE THROUGHPUT CAPACITY.—

"(A) IN GENERAL.—For purposes of this subsection, 'available throughput capacity' means that portion of pipeline capacity which during the term of the transport contract would otherwise be unused except during periods of peak usage.

"(B) SHARING OF AVAILABLE THROUGHPUT CAPACITY.—The regulations prescribed by the Commission under paragraph (2)(A) shall provide for the sharing of any pipeline's available throughput capacity with other pipelines in order to allow such other pipelines to provide transportation under this subsection.

"(C) PROTECTION OF HIGH-PRIORITY USERS.—Such regulations shall include provisions designed to assure availability of natural gas to high-priority users as defined in section 401(f)(2).

"(D) NATURAL GAS FOR RESALE OR DIRECT PURCHASE.—In the calculation of available throughput capacity in any case in which any pipeline provides, on its own behalf, natural gas for resale or direct purchase, the portion of the available throughput capacity which the pipeline may use to transport such natural gas may not exceed the lower of—

"(i) the then current capacity used to serve resale or direct purchase customers of that pipeline, or

"(ii) the then future capacity needed to serve resale or direct purchase customers of that pipeline, as documented by projections considered by the Commission to be reliable.

"(E) DETERMINATION OF NONAVAILABILITY.—For the purpose of determining whether there is available throughput capacity in any pipeline sufficient to accommodate a request for transportation, the burden of demonstrating lack of capacity is on the pipeline asserting nonavailability. The Commission shall determine whether available throughput capacity exists and shall promulgate relevant criteria for such determination.

"(8) TRANSPORTATION OF PIPELINE'S OWN GAS.—Nothing in this subsection shall be construed to prohibit any pipeline from owning natural gas or from transporting natural gas owned by that or any other pipeline or pipeline affiliate if such transportation is in accordance with this subsection.

"(9) STORAGE.—Any pipeline may provide storage pursuant to a request if—

"(A) such pipeline has filed a tariff therefor with the Commission, and

"(B) such tariff is determined by the Commission to be just and reasonable.".

(b)(1) Subparagraph (B) of section 314(b)(3) of the Natural Gas Policy Act of 1978 (15 U.S.C. 3347(b)(2)(B)) is amended by striking out "authorized by the Commission".

(2) Clause (ii) of section 601(a)(2)(A) of such Act (15 U.S.C. 3431(a)(2)(A)(ii)) is amended by striking out "authorized by the Commission".

(3) Subparagraph (B) of section 601(b)(2) of such Act (15 U.S.C. 3431(b)(2)(B)) is amended by striking out "authorized by the Commission".

(4) Paragraph (2) of section 602(b) of such Act (15 U.S.C. 3432(b)(2)) is amended to read as follows:

"(2) under section 311(a), except to the extent provided under such section.".

(c)(1) The amendments made by this section shall take effect 30 days after the date of enactment of this Act.

(2) Until the establishment of maximum rates and charges under section 311(a)(2) of the Natural Gas Policy Act of 1978 (as amended by this Act), the maximum rates and charges for a pipeline shall be interim rates and charges which shall be based on the pipeline's system average costs.

FREE ACCESS GAS

SEC. 3. (a) Title III of the Natural Gas Policy Act of 1978 (15 U.S.C. 3361-3375) is amended by adding at the end thereof the following new section:

"SEC. 316. FREE ACCESS GAS.

"(a) FREE ACCESS GAS.—The term 'free access gas' means natural gas produced from any well in the United States—

"(1) which is not subject to a sales contract as of the effective date of this section;

"(2) which is released by the pipeline by the exercise of the volume adjustment option provided under paragraph (2) of section 315(b); or

"(3) which is subjected to any termination of contractual obligations as provided in section 315.

"(b) SALE AND TRANSPORT.—Free access gas may be sold to any purchaser capable of taking delivery and the seller shall be considered released from all duties and obligations in contract or in law with respect to the service obligations of the Natural Gas Policy Act of 1974.".

(b) The table of contents for such Act is amended by adding at the end thereof the following new item:

"Sec. 316. Free access gas.".

(c) The amendments made by this section shall take effect 30 days after the date of the enactment of this Act.

MINIMUM PURCHASE REQUIREMENT

SEC. 4. (a) Section 315 of the Natural Gas Policy Act of 1978 (15 U.S.C. 3375) is amended to read as follows:

"SEC. 315. MINIMUM PURCHASE REQUIREMENT.

"(a) CONTRACT VOIDABILITY FOR DISTRIBUTOR.—In the case of a contract subject to this section, if a local distribution company which is a party to such contract transmits to the other parties a written notice requesting that such contract be voided, such contract shall be unenforceable with respect to any natural gas sale, transportation, or storage required under such contract after the expiration of the later of—

"(1) the 60-day period beginning on the date notice under this paragraph is received by all parties to such contract, and

"(2) the date specified, in such notice, for contract termination.

"(b) CONTRACT VOIDABILITY OR VOLUME ADJUSTMENT FOR PIPELINES.—

"(1) VOIDABILITY.—In the case of a contract subject to this section, if a pipeline which is a party to such contract with a producer transmits to the producer a written notice requesting that such contract be voided, such contract shall be unenforceable with respect to any natural gas sale, transportation, or storage required under such contract after the expiration of the later of—

"(A) the 60-day period beginning on the date notice under this paragraph is received by all parties to such contract; and

"(B) the date specified, in such notice, for contract termination.

"(2) VOLUME ADJUSTMENT.—In addition to the option of voidability provided in paragraph (1), a pipeline may modify any purchase contract with a producer by refusing to take delivery under such contract of any volume of natural gas without incurring an obligation to pay any fee or charge with respect to the natural gas not delivered pursuant to such election.

"(3) CONTRACTS COVERING MORE THAN ONE CATEGORY OF NATURAL GAS.—For purposes of this section, any contract governing two or more categories of natural gas for purposes of pricing the natural gas delivered under the contract shall be treated as separate contracts for each such category.

"(c) CONTRACTS SUBJECT TO THIS SECTION.—

"(1) APPLICABILITY.—A contract is subject of this section if—

"(A) it is in effect on the date of enactment of the Natural Gas Consumer Access Amendments of 1983, and

"(B) it has a minimum purchase requirement.

"(2) MINIMUM PURCHASE REQUIREMENT DEFINED.—For purposes of this subsection, the term 'minimum purchase requirement' means any contract or tariff requirement of payment for the minimum quantity of natural gas contracted for if the purchaser fails to take delivery.".

(b) The table of contents for such Act is amended by striking out the item relating to section 315 and inserting in lieu thereof:

"Sec. 315. Minimum purchase requirement.".

MARKET STUDY AND REPORT

SEC. 5. (a) Title III of the Natural Gas Policy Act of 1978 (15 U.S.C. 3361-3375), as amended by sections 2, 3, and 4 of this Act, is amended by adding at the end thereof the following new section:

"SEC. 317. MARKET STUDY AND REPORT.

"(a) IN GENERAL.—The Commission and the Department of Justice shall undertake a cooperative study of the competitive effects of vertical integration in the production, purchase, transport, storage, and sale of natural gas, and the effects of vertical integration on the price, availability, and deliverability of natural gas to local distribution companies and ultimate consumers.

"(b) SUBMISSION OF REPORT.—The cooperative study shall commence within one year after the date of the enactment of the Natural Gas Consumer Access Amendments of 1983, and its findings shall be reported to Congress within two years after such date.".

(b) The table of contents for such Act is amended by adding at the end of the items relating to title III the following new item:

"Sec. 317. Market Study and Report.".

EFFECT OF AMENDMENTS

SEC. 6. The amendments made by this Act shall not be construed to modify the ceiling prices established under the Natural Gas Policy Act of 1978.●

FIRST MICHIGAN ACADEMIC ALL-STATE TEAM

● Mr. LEVIN. Mr. President, I would like to take a moment of my colleagues' time to call attention to a new program in my home State that gives recognition to high school seniors who have demonstrated scholastic excellent.

Many of us read in our newspapers of young men and women who achieve athletic awards. Less frequently, we read about outstanding scholastic achievement.

In Michigan, a new program has been initiated, at the local level, that will be a good step toward recognizing academic excellence.

This program—that involves approximately 650 secondary schools in Michigan, of all sizes and from all areas—will choose academically outstanding students for public recognition. Students will be nominated by their high school principals for such recognition on the basis of grades and his or her contribution to the school or community. From these nominees, the first Michigan Academic All-State team will be selected by a committee of principals.

The committee of principals will be appointed by the Michigan Association of Secondary School Principals.

On June 5, the Detroit Free Press will devote the entire issue of the Detroit Magazine to presenting the first Michigan Academic All-State team and the students who receive honorable mention.

The nomination and selection process has begun and finalists will be selected within the next few days.

Mr. President, I would also like to express my appreciation, and I am sure the appreciation of the people of Michigan, to Dr. Robert Schramke, principal of Redford Union High School, who initiated this program.

America has no greater resource than its youth. We should make every effort to encourage young men and women to strive for academic excellence. Through their acquisition of knowledge, they will build a better future for America. I am pleased that Michigan is taking an important step toward encouraging our young people in such efforts.●

ALLEGED SOVIET VIOLATIONS OF ARMS CONTROL AGREEMENTS

● Mr. PELL. Mr. President, today's New York Times reports that the administration is under pressure from Members of the Senate to accuse the Soviet Union publicly of violating the SALT II agreement as well as other arms control accords. I urge the President to resist that pressure.

There is an existing mechanism—the Standing Consultative Commission (SCC)—that was established in conjunction with the SALT I agreements to discuss and resolve questions of compliance. That mechanism has been used often and successfully by both sides over the past 11 years, and we should not abandon it now. On many occasions, the United States has raised in this forum matters of concern about Soviet compliance. In every case the issues we raised have been resolved satisfactorily. In some cases, the Soviets have explained to our satisfaction why no violations have occurred. In other instances, the Soviets have agreed to end questioned practices.

If the administration now suspects that new violations have occurred, it ought to direct the U.S. Commissioner, Gen. Richard Ellis, to resolve the questions raised by exploring them with the Soviets in the SCC. That would be a straightforward and serious approach. To go public and ignore the SCC would be interpreted widely, I believe, as a cheap-shot tactic to build support for the administration's arms programs and not as a serious step to deal with suspected Soviet violations.

If Soviet violations have occurred, they ought to be exposed but not until every effort has been made to resolve the issue directly with the Soviets. To do otherwise would only raise further doubts around the world about the seriousness of the administration's commitment to arms control.●

ANIMAL WELFARE RESEARCH STUDY OF 1983—S. 964

● Mr. DODD. Mr. President, I recently cosponsored S. 964, the Animal Welfare Research Study of 1983, introduced by Senators HATCH and KENNEDY.

This legislation requires the Secretary of Health and Human Services, through the National Academy of Sciences, to conduct a study assessing current animal protection activities in federally funded biomedical and behavioral research activities. The study will determine the type, total numbers, and purposes of animals used in research. This information will enable Congress to decide whether corrective legislation is necessary.

A number of bills have been introduced in Congress regarding the use of animals in research and testing. Some have proposed that all research involving animals be eliminated. In my view, this might seriously compromise biomedical research designed to benefit human health. Alternatives to the use of animals in research and testing, such as the use of tissue cultures and computer modeling, need to be adopted wherever possible. However, there appears, at present, to be no good substitute for certain types of animal research.

For example, our medical researchers, seeking ways to treat heart disease, cancer, or diabetes must rely on animal tests before a treatment, drug, or technique is applied to humans. To test experimental treatments or medicines directly on humans without first identifying possible adverse effects through animal testing would be hazardous to human health.

Although there are currently no alternatives which preclude the use of animals in biomedical and behavioral research, there is a provision in S. 964 to evaluate the actions of the Department of Health and Human Services to support research and development for alternative testing methodologies.

In addition, the Secretary of the Department of Health and Human Services must submit a report (within 18 months of enactment of the bill) to the Senate Labor and Human Resources Committee and the House Committee on Energy and Commerce. This report is to include, among other things, data collected and recommendations for legislation.

Mr. President, I believe the Animal Welfare and Research Study of 1983 will give us the necessary information upon which to base effective legislative proposals. Without this data, there can be no assurances that the needs of the research community will be met, advances in health care will be effective and safe, and concerns of animal rights organizations will be addressed properly.●

DU PONT WORKS ON REDUCING HEALTH CARE COSTS

● Mr. BIDEN. Mr. President, on Monday, March 28, I had the pleasure of attending the dedication of a new clinical diagnostics research laboratory, opened by the Du Pont Co. at its Glasgow, Del., plant. The facility has been designed to help support Du Pont's present research programs and the future growth of its medical diagnostics business.

Congress has been looking closely at the issue of health care cost containment and whether medical technology is a boon or a bane. The examples I saw in operation at the new Du Pont laboratory have left me convinced that medical technology, propertly managed, is capable of reducing health care costs substantially.

The Du Pont laboratory is as impressive as the work being conducted within its walls. Much of this is focusing on the search for new and technically more sophisticated test methods, products, and analyzers for the clinical and hospital diagnostics industry.

The Du Pont "aca" discrete clinical analyzer system is the centerpiece for this research activity. This instrument was introduced in 1971 to provide physicians and hospitals with a tool for rapidly and inexpensively diagnosing diseases by analyzing blood serum and other body fluids.

Through the "aca," Du Pont is making a special contribution to the problem of health care cost containment. This high technology system lowers costs by automating test methods that would take hours to perform manually. Thus, reduced average hospital stays and increased laboratory productivity are among the benefits hospitals attribute to their analyzers.

All of the "aca" tests are performed within a prepackaged test pack, which contains the chemicals necessary for each individual test reaction. Once it has completed its analysis, the instrument prints out a hard copy report of the test results. When performing a series of analyses on a patient, the "aca" generates the first result in just 7½ minutes, with subsequent result reports following every 37 to 74 seconds.

The system's rapid test results allow hospitals and clinics to expand their capabilities with existing staffs. Because 60 to 70 percent of a hospital's costs are for labor, the "aca" leads to considerable cost savings.

Fifty tests are now available on the instrument, including those for diagnosing problems associated with heart conditions, epilepsy, and blood clotting functions. Another 20 tests are in various stages of development and five new tests are due to be introduced in 1983. The system is now in use in more than 3,500 hospitals and clinics worldwide.

During my recent visit to the new Du Pont laboratory, I was also able to witness a demonstration of the company's new lower cost benchtop "aca." In smaller hospitals and in group practices, this new instrument can provide extensive testing capability and serve as virtually a complete clinical laboratory. In larger facilities, the benchtop analyzer can be used as a specialist in the main laboratory or in satellite laboratory areas, such as ICU or emergency rooms where quick, accurate response is critical.

In designing this latest generation of the "aca" analyzer, Du Pont has built upon its extensive experience in producing sophisticated instruments that play a major role in reducing and controlling health care costs.●

VIKTOR BRAILOVSKY

● Mr. LEVIN. Mr. President, as part of the Congressional Call to Conscience Vigil for Soviet Jews, I wish to direct the attention of my colleagues to Dr. Viktor Brailovsky, a prisoner of conscience who for over a decade has been trying to emigrate to Israel. But Dr. Brailovsky is not in Israel; he is in Kasakhstan serving a 5-year internal exile sentence.

Before his initial application for an exit visa in 1972, Dr. Brailovsky was a prominent scientist, holding advanced degrees in computer science. Working in cybernetics, he made significant contributions in the area of pattern recognition. He had published over 30 papers and had been granted 4 patents in his field. Dr. Brailovsky also applied his expertise in other fields, including medical diagnosis, oil chemistry, and complex physical systems such as solar activity. His wife Irina was likewise an accomplished scientist in the field of computer science.

But after applying to emigrate to Israel to join his brother, Dr. Brailovsky and his wife lost their jobs. Since then they have been unable to find work in their fields although both are highly qualified. Longing to remain in the mainstream of current scientific research, he and other refusenik scientists organized informal scientific sessions called the "Moscow Sunday Seminars." He continued to pursue his own emigration and helped others as well. Because of his concern for Jewish refuseniks and prisoners of conscience he soon became a leading figure in the emigration movement.

He participated in many efforts to promote a more progressive emigration policy. In 1973, he joined several of his colleagues in going on a hunger strike to protest repressive Soviet policies. For a time he edited the unofficial publication, Jews in the U.S.S.R. His activities brought gratitude from the Jewish community but also brought years of harassment and intimidation from the Soviet Government.

The final blow was dealt in November 1980 when Dr. Brailovsky was arrested and charged with "spreading deliberately false information defaming the Soviet state and social structure." Although his health was very poor, Brailovsky was held in a Moscow

jail for 10 months before being sentenced to 5 years in internal exile.

Since September 1981, Viktor Brailovsky has been serving his sentence in Kasakhstan, a site near the Caspian Sea. He is isolated from science and banished from his home.

Viktor Brailovsky's present circumstances are bleak and his future is grim. It is my hope that keeping his case alive will in some small measure increase his chance of one day leaving the U.S.S.R. for Israel.

This is but one in thousands of cases of Soviet Jews, Pentecostalists, Baptists, and countless others who would like to emigrate in order to live free from repression. It is important to keep these cases highlighted in our own minds and to continue to let the Soviets know that we are monitoring these cases of human rights abuses—all for the very good reason that we must strive always to advance the cause of fundamental human freedoms. I thank Senator BOREN for orchestrating this vigil and commend him for his past efforts in this arena.●

THE PAIN OF UNEMPLOYMENT

● Mr. RIEGLE. Mr. President, I want to share with my colleagues an article that appeared in last Thursday's New York Times. This article eloquently portrays the sense of helplessness and frustration felt by the long-term unemployed in Michigan today. Indeed, it probably reflects the sentiments of the millions of unemployed across the country.

We often hear from those administration officials who believe that the unemployed could find jobs if they simply read the want ads more carefully. Perhaps these officials hope to convey the impression that the unemployed would rather collect benefits than engage in an active job search.

Mr. President, I hope that those officials will read this article. The author's words should put to rest the notion that an unemployed worker would prefer to stand in the unemployment line.

I ask that this article be printed in the RECORD.

The article follows:

[FROM THE NEW YORK TIMES, APR. 14, 1983]

THE OUT-OF-WORK LINE

(By Peter Stine)

DETROIT.—Another stint down at the Detroit branch of the Michigan Employment Security Commission. It doesn't matter when you arrive. The line begins a step inside the door and weaves snake-like from side wall to side wall. A security guard keeps the line in shape, shepherding newcomers with stricken faces to the rear.

Today I give the guard a nod of recognition. This is my 54th week of collecting unemployment benefits and I've earned that right. New applicants sit in folding chairs off to the right, awaiting interviews, chin on chest, like bundles drooped from the ceiling. Now and then, a defeated temper tantrum signals a lost form. The rest of us smile knowingly and yawn.

The line inches forward like a parade of dominoes. The minute hand on the wall clock leaps abruptly ahead, sucking us into a backwash of lost connections. Some of us stare at the floor or ceiling as if reading a message from God. Some talk quietly. Paperbacks and newspapers bloom. Others just check each other out, taking a fresh look with each weave of the line.

Two weeks ago, a man in front of me, upon reaching the counter, checked his watch and announced, "One hour on the dot." "That's not bad," I said. "No, sir," he said with a grin. "Not a bad hourly wage at all."

The trouble is we work only one hour every two weeks.

The line shows no sign of malnutrition yet. Indeed we are the mainstream: Ahead of me is an elderly couple, behind me two brawny men who've been pumping a lot of iron. The line is a democratic blend of chemists, carpenters, auto workers, businessmen, teachers—you name it. We are united by a common bond of bad luck and stoicism. You get the feeling a lot of talent and character is going wasted in this line.

Beyond the far counter is an acre of metal desks where employees process our claims. Their skin is blanched from reviewing so many forms, and at times they seem paralyzed with their noses in manila folders.

The crush of numbers over recent months has expedited matters at the counter. "Have you had any income this week?" "No." Always the same question, the same reply. We meet with no suspicion these days and pass through like clumps of snow falling off a roof.

Conversation in the line veers toward the basic: the weather, the Tigers, abrupt firings, the job hunt. "I packed the family in the van and went to Texas," a man tells me. "Nothing down there. Texans ain't so friendly either. They tailgate Michigan license plates, drive you right off the road. We came home."

You overhear little talk of politics in the line. People seem reluctant to link their joblessness to policies out of Washington. But times are changing. Last month, a man with a chortling bass voice and walrus mustache turned to me and observed, "That Reagan ain't worth two dead flies."

It was the precision of that "two" that thrilled me and cinched his case.

So we continue to bounce on the trampoline as life goes on. Indeed, the highlight of the line has been the kids. Young mothers have their hands full. An hour's wait in a crowded, stuffy room tied to a line can tax a kid's patience. By afternoon, the wake of crumbs and puddled milk makes the footing hazardous.

Two weeks ago, my 18-month-old son broke loose. He cut through the line like a shark through a school of bluefish and, to accompanying cheers, was out the door. I sprinted out and snagged him, then bribed him back with a last remaining cracker.

Yet standing in line these months has been largely meditation. I've had time to think about receiving "benefits" for losing my job. I haven't objected. It has enabled me to survive, although not to find a job since there aren't any. It feels a bit like getting something for nothing, but the guilt is not crushing. It casts the "system" in a benevolent light, taking the edge off our desperation for now. It seems to dull political rebellion. It makes us a little soft, lethargic, passive. It acts like a pain-killer—enclosing us in a rubber bumper as we float through the days.

No sharp economic edges, not yet.

In this sense, unemployment benefits sets us up for a nasty fall. I have one more check coming. Then nothing. Having passed through the "system," I will no longer be counted among the unemployed, will lose even my status as a negative statistic. We all stand here in the line, in decent spirits, feeling a quiet solidarity—until our time runs out and we fall into an economic black hole.

Then the struggle begins for keeps.●

THE MX MISSILE

● Mr. GARN. Mr. President, the Senate Armed Services Committee heard testimony yesterday from Secretary of Defense Weinberger concerning the President's recommendation on MX basing. I strongly support the President's proposal, and hope that my colleagues will join me in endorsing this critical effort to modernize our ICBM force, thereby strengthening our bargaining position at the Strategic Arms Reduction Talks (START).

I intend to present my views on this subject at greater length in the near future, but I would like to take some time today to emphasize one aspect of Secretary Weinberger's statement. Secretary Weinberger quoted from testimony his predecessor, Harold Brown, made before the Armed Services Committee on Monday of this week with respect to the dangerous delay that has consistently plagued the MX program. Secretary Brown said:

> We said in the early 1970's that we would modernize with a new missile in the late 1970's. In the mid-1970's we said that we would do so in the early 1980's, and in the late 1970's that we would in the mid-1980's. We have failed so far to do any of those things, even while the Soviets were deploying over 600 new ICBM's, each with a payload equal to or greater than that of MX, and with accuracies now matching those of the most accurate U.S. ICBM's.
>
> To say that the United States will modernize in the early 1990's with a small single-warhead missile will just not be believable. The Soviets would be justified in calculating that any U.S. ICBM system will be aborted by some combination of environmental, doctrinal, fiscal, and political problems.

Secretary Brown is right; the Soviets are not going to be impressed with a decision to cancel the MX in favor of some distant deployment of a small ICBM in an, as of yet, unknown basing mode. The substance, not the rhetoric of strength will provide the necessary incentive for the Soviets to negotiate seriously on verifiable arms reduction while bolstering the security of the West. The time to act is now.

Mr. President, I raise this point because its fundamental truth was again impressed upon me as I read recently of Winston Churchill's struggle to awaken the British Government to the dangers of Germany's military build-

up under Hitler. Martin Gilbert, the official biographer of Churchill, recalls Churchill's observations on this matter in his book, "Winston Churchill, the Wilderness Years." Gilbert writes that:

During the debate (on the German air threat), Churchill told his fellow MP's: "when the situation was manageable, it was neglected, and now that it is thoroughly out of hand we apply, too late, the remedies which then might have effected a cure." There was, he added, nothing new in that story: It was as old as the Sibylline books of classical legend. It fell into what Churchill now called "that long dismal catalogue of the fruitlessness of experience, and the confirmed unteachability of mankind." Angered that his warnings, as well as his suggestions in 1933 and 1934, had been dismissed as alarmist and ignored until too late, Churchill told the House of Commons: "Want of foresight, unwillingness to act when action would be simple and effective, lack of clear thinking, confusion of counsel until the emergency comes, until self-preservation strikes its jarring gong, these are the features which constitute the endless repetition of history."

We still have time to take effective action, if we can muster the political courage to do so. I pray that we will not one day be judged by history as having added to "that long dismal catalog of the fruitlessness of experience" by canceling the MX.

Mr. President, Secretary Weinberger has presented a cogent and articulate case for moving ahead with the President's ICBM modernization plan, and I ask that his statement, together with the introductory remarks of the chairman of the Armed Services Committee, Senator TOWER, be printed in the RECORD.

The material follows:

OPENING STATEMENT BY SENATOR JOHN TOWER BEFORE THE SENATE ARMED SERVICES COMMITTEE HEARING ON THE MX MISSILE

The Committee convenes this morning to take testimony from the two Cabinet officers with direct responsibility for the national security and foreign policy of the United States. In the aftermath of President Reagan's announcement yesterday about his plan for basing the MX missile in the near-term and for longer-range enhancements of the land-based leg of the strategic Triad, it is appropriate that the Committee hear from Secretary of State George Shultz and Secretary of Defense Caspar Weinberger with respect to the implications of these decisions for America's defense, foreign and arms control policies.

On Monday, the Armed Services Committee reviewed with members of the President's Commission on Strategic Forces the recommendations and findings contained in their report to the President. In some five hours of testimony, from General Brent Scowcroft, Dr. Harold Brown, Dr. James Schlesinger and Dr. John Deutch, the Scowcroft Commission's proposals were explored in considerable detail. With the President's affirmation of the Panel's report as Administration policy, it is incumbent upon us now to consider the implications of such policy with those immediately charged with its execution.

As our sessions on Monday made clear, it is difficult—if not impossible—to separate completely the future of MX from its past. As members of this Committee are keenly aware, the legacy of this troubled program is such that few, if any, of us involved in the protracted and contentious decision-making on the MX and its basing can take pride in the handling of this program by various Administrations and Congresses. If anything, the MX program is a textbook case of how not to manage an important national security issue.

Certainly, no one who has stressed for years—as many of us have—the importance of reversing the growing susceptibility of our land-based Ballistic Missile Forces to a Soviet attack can take much comfort from the Scowcroft Panel's recommendations concerning MX—when taken in isolation.

As the representatives of the Scowcroft Panel candidly stated in their appearance before us, from a strictly military point of view, other deployment modes for the MX might be preferable. Indeed, I am on the record as having strenuously advocated the adoption of the very alternative General Scowcroft and his colleagues stated they would prefer under different circumstances. However, present circumstances being what they are, I feel compelled to concur in the recommendations of the Scowcroft Commission which have been adopted by the President.

I do so for reasons similar to those which influenced the Scowcroft Panel's deliberations: I am convinced that the MX is needed to redress the substantial and militarily significant imbalance in terms of prompt, hard-target kill capability which has developed between U.S. and Soviet strategic forces over the decade of the 1970's. I feel that the MX is an integral element of our negotiating leverage in arms reduction talks with the USSR. I believe that the Scowcroft Commission's recommended MX program can become the cornerstone of a new national concensus on defense issues, a concensus whose emergence is indispensable both to our ability to continue to deter aggression and to realize stabilizing arms control agreements.

What is more, the proposal regarding the MX must be seen as part of a package—in the full context of the Commission's other recommendations. We will be examining closely the totality of the findings and proposals of the President's Commission as endorsed by President Reagan—not simply the MX element thereof. It is my hope that today's hearing, and those that follow, will amplify upon the mutually reinforcing qualities of the strategic forces plan now before us.

Secretary Weinberger, insofar as the MX program falls within your immediate area of responsibility, we will ask you to present the administration's proposal with respect to this weapon system. Secretary Shultz will then be asked to elaborate upon the consequences of this proposal for the Reagan Administration's foreign and arms control agendas.

STATEMENT OF THE SECRETARY OF DEFENSE ON MX BASING

(By Caspar W. Weinberger, Secretary of Defense)

Mr. Chairman, thank you for this opportunity to discuss the President's plan for revitalizing the ICBM leg of our strategic TRIAD.

This is not my first visit to talk about the need to update our ICBM forces. Nor am I the first Secretary of Defense to raise these issues before this distinguished committee. Four Presidents, six Secretaries of Defense, and a majority of the members in several sessions of Congress all have concluded that we need to modernize our ICBM force.

The members of the President's Commission on Strategic Forces have done us all a great service, and not just because they have presented an eminently reasonable, and achievable, proposal for modernizing our ICBMs. They have also reminded us that there is a long-standing, bipartisan consensus about three facts. First, that the United States pursues peace and protects its freedom and the freedom of its allies through a joint strategy of deterrence and arms control. Second, that deterrence depends on retaining a multiplicity, and more specifically a TRIAD, of strategic forces, including intercontinental ballistic missiles. And third, that in view of actions taken by the Soviet Union over the last decade and a half, we must take steps now to ensure the effectiveness of that TRIAD and in so doing not only maintain deterrence but also improve the prospects for genuine, mutual, and significant reductions in nuclear weapons.

Before discussing the President's recommendation for modernizing the ICBM force, let me review the reasoning that lies behind this consensus about American strategic policy.

Since the end of World War II and the dawn of the atomic age, the United States has maintained peace and preserved its freedom, and that of its allies, by means of an inherently defensive policy—deterrence. This policy, and the strategic capability to back it up, serves as a clear indication to potential aggressors that the West has the will and the means necessary to resist aggression. By maintaining the ability to retaliate against a potential aggressor in such a manner that the costs we will exact will exceed substantially any gains he might hope to achieve through aggression, we can prevent any aggressor from coming to believe that he could profit from or win a nuclear war.

We, for our part, are under no illusions about the consequences of nuclear war. We know there would be no winners in such an exchange, but this recognition on our part is not enough to maintain deterrence. The Soviet leadership must understand this as well. The President's Commission on Strategic Forces made this point eloquently in their report.

"Deterrence is not an abstract notion amendable to simple quantification. Still less is it a mirror image of what would deter ourselves. Deterrence is the set of beliefs in the minds of the Soviet leaders, given their own values and attitudes, about our capabilities and our will. It requires us to determine, as best we can, what would deter them from considering aggression, even in a crisis—not to determine what would deter us."

Unlike the United States, the Soviet Union seems to believe that under certain circumstances a nuclear war could be fought and won. Today we see that the number, the explosive power, and the accuracy of Soviet nuclear weapons are far greater than would be needed simply to deter attack. In addition, the Soviets have developed a refiring capability for some of their larger ICBM's which could allow them to reload their delivery systems several times. They have given us indications that they think they could fight a protracted war by hardening their silos and protecting key targets

with elaborate air defense. Their writings, military doctrine, and exercises all emphasize the kind of nuclear warfighting policy which we in the United States have rejected—and which we must deter. We must, therefore, make sure that the Soviet leadership, in calculating the risks of aggression, recognizes that an effective American reponse exists, and understands that, consequently, there can be no circumstances where the initiation of a war at any level would make sense.

To this end, we have maintained over the last two decades a strong and interdependent force, known as the TRIAD, which consists of land-based intercontinental ballistic missiles, sea-based ballistic missiles, and manned strategic bombers. This multiplicity of forces provides three significant benefits.

First, each of the strategic components of the TRIAD acts in concert with the others to complicate Soviet planning, making it more difficult for the Soviet Union not only to plan and execute a successful attack but also to defend against retaliation.

Second, each of the legs of the TRIAD acts as a hedge against a possible technological break-through that could threaten the viability of any single strategic system. By maintaining a TRIAD we force the Soviet Union to disperse their resources among three components, preventing them from concentrating their considerable resources on defeating two or only one U.S. strategic system.

Finally, only a TRIAD of three unique systems can provide us with all the elements necessary to provide a strong, secure deterrent. The strengths of each system not only complement the strengths of the other two but also compensate for their weaknesses. To deter successfully all types of nuclear attack, our forces as a whole must possess a number of characteristics and capabilities—including survivability, prompt response, mission flexibility and sufficient accuracy and warhead yield to retaliate against hardened Soviet military targets. No single weapons system can incorporate all of these capabilities. Submarines are less vulnerable, but less accurate. Bombers are accurate, and retrievable, but they are much slower. ICBMs are easier to command and control, faster, and more accurate, but they are more vulnerable than submarines and, once launched, irretrievable. But all three systems together can incorporate all those elements necessary to deter against all types of attack.

For many years it was our good fortune to possess a TRIAD whose effectiveness could be assured well into the future. Unhappily, due to the massive, and largely unmatched, strategic build up that the Soviets have sustained since the 1960s, those days are gone. That build up has created substantial vulnerabilities in our strategic TRIAD which in turn have altered the strategic balance and reduced the effectiveness of our deterrent capability.

Over the past two years the President has instituted, and the Congress has supported, a number of initiatives to rectify the TRIAD deficiencies this build up has created, including production of the Trident submarine and development of a new, more capable SLBM, the D-5; production of the air-launched cruise missile, development of the B-1B and 'Stealth' bombers; improvements in the U.S.-Canadian Air Defense network; and improvements in the effectiveness and reliability of our command, control, communications and attack warning capabilities. I know this committee shares our conviction that such a strategic modernization program is vital to preserving deterrence and enhancing the prospects for arms reduction.

But one very serious weakness in our TRIAD has yet to be resolved—the modernization of the ICBM force. The United States made a conscious choice during the 1970s to restrict its nuclear weapons developments so as not to present the Soviet Union with a first strike threat. However, the Soviets showed no such restraint. During the 1970s the Soviet Union deployed more than 600 powerful SS-18 and SS-19 ICBMs with nearly 5,000 highly accurate warheads; at the same time they hardened their missile silos and key command and control facilities to resist attack. These Soviet developments have simultaneously endangered the survivability of our ICBM force, and substantially reduced the retaliatory effectiveness which lies at the heart of our strategy of deterrence.

Without a viable ICBM force our TRIAD would lose several qualities that are crucial to deterrence: extremely high peacetime readiness rates, rapid and reliable communications with command authorities, and prompt counter military capability.

But, even more important, indeed at the heart of the current U.S.-Soviet strategic force imbalance, is the Soviet monopoly of prompt hard target kill capability. This gives them a twofold advantage over the United States. First, it enables the Soviets to launch a very high confidence first strike attack on our land-based ICBM, while expending only one third of their ICBM force in the process. The large store of remaining ICBMs would then enable them to divert weapons to other essential targets in a first-strike attack and still maintain a large and effective reserve force to conduct follow-on attacks. Second, the fact that we lack a prompt retaliatory capability against very hard targets allows Soviet planners to consider the possibility that, for the crucial first few hours of a nuclear conflict, the bulk of their ICBM force and supporting command and control structure would remain largely immune to U.S. retaliation. This would eliminate one of the major sources of uncertainty that is such an important element of deterrence—the unpredictable effects of U.S. retaliation on Soviet war plans. Without this crucial uncertainty exerting an influence on Soviet war planners, their confidence in their ability to fight and win a nuclear war is reinforced.

This development is too dangerous to be allowed to continue unchallenged. If we do nothing, we will face the very real danger that the Soviets could at some point come to believe that they could use, or blackmail us by threatening to use, nuclear forces to gain their military or political ends.

Because the problems of the ICBM leg of the TRIAD are essentially two-fold—retaliatory effectiveness and survivability—we must seek a solution that answers both concerns. Last November the Administration recommended deploying the Peacekeeper missile in a closely spaced basing mode, which would take advantage of the fratricide phenomenon produced by attacks on closely spaced super-hardened ICBM silos. Congress, as you know, directed us to study further the question of basing and deployment. To fulfill this requirement, the President established an independent, bipartisan Commission on Strategic Forces made up of distinguished experts and former Government officials and chaired by former National Security Advisor, Brent Scowcroft. The President directed the Commission to examine the broad range of strategic modernization issues including basing alternatives to CSB, ICBM alternatives to the Peacekeeper, and air- and sea-based alternatives to a modernized land-based ICBM force. Over the last several months the Commission thoroughly studied these alternatives and last week presented its report to the President; a report that, I think all will agree, equals in every respect the expectations of excellence that such a distinguished body of experts naturally engenders. It is a report that has won the strong support of the President, his National Security Advisor, the Joint Chiefs and me. In addition to endorsing the President's strategic modernization program, the report addresses the two weaknesses of the ICBM leg in a phased approach.

To solve the problem of retaliatory effectiveness the plan calls for a limited deployment of 100 Peacekeeper missiles in Minuteman silos which will reestablish the hard target capability necessary to maintain deterrence. By deploying the Peacekeeper missile we will immensely complicate any attack the Soviets might plan and, by threatening their remaining ICBM force, decrease their confidence that an attack might succeed. As the President's Commission points out "Soviet planners would have to account for the possibility that Peacekeeper missiles would be available for use and thus they would help deter such attacks." Thus the lack of retaliatory effectiveness in our current ICBM force is a relatively easy weakness to overcome and the Peacekeeper can begin to accomplish this in 1986 and finish the job in 1989.

The President's modernization plan also spells out an approach to enhancing survivability. However, because this aspect of the problem is more complicated, the solution is necessarily more difficult. I can think of few national security issues that have been so intensively and exhaustively examined as Peacekeeper basing. The search for a survivable basing mode has preoccupied political leaders of both parties, as well as the American people for nearly a decade. Although we frequently have embraced different solutions to this problem, we all, nevertheless, shared the belief that if we looked long and hard enough, a single, perfect solution would be revealed.

By now it is clear that this was an illusion. As the Commission noted, ". . . by trying to solve all ICBM tasks with a single weapon and a single basing mode in the face of the trends in technology, we have made the problem of modernizing the ICBM force so complex as to be virtually insoluble." Or, in the words of Voltaire, sometimes, ". . . the best is the enemy of the good."

With the Peacekeeper missile deployed in Minuteman silos, we will restore our retaliatory capability. However, for the near term, we must rely on the interaction of the TRIAD legs to provide some degree of ICBM survivability. The point here, to quote the Commission report once again, is that "whereas it is highly desirable that each component of the strategic forces be survivable when it is viewed separately, it makes a major contribution to deterrence even if this survivability depends in a substantial measure on the existence of one of the other components of the force." With respect to the longer-term, the President's ICBM modernization plan will achieve survivability through an extended, two-step process: development of a new small missile, and research and development on mobility,

silo hardening, ballistic missile defense, and deep underground basing.

Just as there are significant advantages to diversity among the TRIAD forces, there might also be significant advantages to diversity within the ICBM force. By deploying different types of ICBMs—each with different capabilities—and basing them in dissimilar configurations, the independent survivability of the ICBM force as a whole might be dramatically improved, while its flexibility is increased.

Specifically, by deploying the Peacekeeper we will quickly provide the ICBM force with the retaliatory hard target capability necessary to maintain deterrence. The Peacekeeper's throwweight also gives us sufficient payload flexibility to maintain retaliatory effectiveness even if the Soviets were to harden their strategic assets even further, or violate the ABM Treaty by rapidly and massively increasing their ballistic missile defense deployments. By deploying a new small missile we would add to the flexibility and overall capability of the ICBM force while providing basing options, such as mobility, that are not feasible with larger missiles. And by deploying the ICBM force in a range of dissimilar basing modes, we improve the survivability of our entire ICBM force by driving the Soviet offensive force structure in opposite and counterproductive directions. That is, a force structure designed to effectively attack one type of basing mode may be ill suited to attack a different basing mode.

As mentioned earlier, the President's plan includes vigorous research on new techniques for hardening silos and shelters, on different types of land-based vehicles and launchers, including hardened vehicles, on ballistic missile defense and deep underground basing, and on the phenomenon of fratricide, that is, destruction of an attacking warhead by the explosive effects of another. By supporting such diversity, the President's plan retains—and even enhances—our options for a changing strategic environment.

But the impact of the President's ICBM modernization plan extends beyond the world of nuclear deterrence. It also will have a significant impact on our ability to meet our commitments to our friends and allies. One important effect could be on the essential NATO INF modernization program. Scheduled to begin late this year, this program is necessary to counter the growing European strategic imbalance resulting from the persistent Soviet build up of its SS-20 intermediate range missile force. Many of our NATO allies are watching the decision on the deployment of the Peacekeeper very closely. Deployment of a modern land-based missile system in this country is necessary to maintain the effectiveness of the U.S. strategic deterrent, just as ending the present imbalance in Europe—either through arms reduction or deployment of modern intermediate range nuclear forces in Europe—is essential to keeping our allies securely linked to the U.S. strategic umbrella. Failure to deploy Peacekeeper could not only undercut the ability of key allied governments to muster and hold the political support necessary to back Pershing II and ground-launched cruise missile deployments in their countries but also be seen as undercutting America's nuclear umbrella for NATO.

But the President's plan also has a wider, more long-term impact. The peacetime, day-to-day, decisions that collectively make up the behavior of the United States, the Soviet Union and all other nations are influenced by perceptions of the U.S.-Soviet strategic balance. The greater the imbalance, the more conscious we become of the limits to our options in international affairs and the greater the chance that we might be forced to compromise our interests to avoid crises that might overburden our capacity to deter conflict. In the same vein, the greater the imbalance, the greater the tendency of the Soviet Union to embrace ever more ambitious definitions of what constitute legitimate Soviet interests; the greater their tendency to view the risks of crises as an acceptable price to pay for the satisfaction of their political aims. The behavior of other nations is affected by perceptions of the strategic balance too. The greater the imbalance, the greater the tendency to view Soviet aims as interests to be accommodated; the greater, also, their tendency to view U.S. aims as interests to be ignored or challenged.

Today, we are confronted with just such a strategic imbalance; an imbalance that, in the face of the continued enhancement of Soviet power, will only worsen if we do nothing to counter it. There are many things we can do to reestablish a strategic balance, some of which, as I mentioned earlier, we are doing already. However, if we do not modernize the ICBM leg of the TRIAD, and maintain those important capabilities unique to the ICBM, restoration of a strategic balance will not be possible. As my predecessor, Harold Brown, wrote recently: ". . . we said in the early 1970s that we would modernize with a new missile in the late 1970s. In the mid-1970s we said that we would do so in the early 1980s, and in the late 1970s that we would in the mid-1980s. We have failed so far to do any of those things, even while the Soviets were deploying over 600 new ICBMs, each with a payload equal to or greater than that of MX, and with accuracies now matching those of the most accurate U.S. ICBMs.

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

Finally, there is the important consideration of arms control. While a strong and viable deterrent is essential to the maintenance of peace, our search for a durable foundation that can support a lasting peace must also incorporate significant and verifiable reductions in the size and destructive potential of existing nuclear arsenals. The President's ICBM modernization plan is fully consistent with, in fact, necessary to, such arms reductions. As you are all aware, the President has proposed a strategic arms reduction proposal, START, which would reduce by one third the overall size of both sides' deployed ballistic missile warheads, with even greater reductions in those weapons systems that are potentially the most destabilizing—land-based ballistic missiles. Whether the President's START proposal is successful will, in large measure, depend on Soviet perceptions of this nation's determination to maintain its deterrent capability in the face of the persistent growth of Soviet military power. Because the ICBM modernization plan is essential to our deterrence capability, the Soviets will undoubtedly perceive this nation's decision on whether to support it a litmus test of the extent of that determination. If the American people and its Congress give their support, the Soviet Union will come to the realization that the United States understands the current strategic realities and fully intends to meet the national security obligations these realities impose. By reinforcing this perception of American determination, vigorous ICBM modernization will discourage the notion that a continuation of the Soviet arms build up will afford the Soviet Union any strategic advantage and encourage Soviet cooperation in bringing strategic arms under control Conversely, failure to modernize will serve only to foster a Soviet belief in the soundness of their policy of seeking unilateral strategic advantage through the continued deployment of ever more powerful weapons in ever greater numbers.

Until this issue is clearly resolved in favor of a modernized ICBM force, we can expect little cooperation from the Soviet Union in Geneva. We have learned the hard way that the Soviet Union is impressed not by self-restraint, but by determination. For the first time they have proved willing to sit down at the negotiating table to discuss arms reduction; let us give them the incentive to stay there and reach fair, equitable, and verifiable agreements.

Let me make one final point about the centrality of our ICBM modernization plan to arms control. This Adminsitration has sought to move away from arms control agreements that confine their restrictions to such limited measures of strategic capability as launchers and missiles, and emphasized instead those elements of strategic capabiltiy that threaten to upset stability. In this connection, I was pleased to note that the Commission report echoed this Administration's focus on warhead and throwweight reductions in the START negotiations.

The President's modernization plan supports this concern with stability by holding out the promise, over the long-term, of channeling ICBM forces into more stable directions. Such stability can be enhanced by deployments that distribute the total number of warheads contained in the ICBM forces over a larger number of smaller missiles, thereby reducing the target value of individual ICBMs. In reducing the value of individual strategic assets, we reduce the attack incentive of a potential aggressor. If this promise is to be realized, we must pursue the two-step process provided by the President's plan.

First, we must deploy the Peacekeeper missile to end the current, destablizing advantage the Soviet Union enjoys in critical prompt hard target capability. The Soviets will not voluntarily give up their current strategic advantage. If we do not take this first step, they will have no incentive to move toward ICBM deployments that are more stabilizing. Deployment of the Peacekeeper will act as a necessary foundation and catalyst for a restructuring of U.S. and Soviet ICBM forces.

Second, we must vigorously pursue small, single warhead missile technology and operational concepts to determine the technical, operational and fiscal feasibility of moving to an ICBM structure that increases the emphasis on the deployment of ICBMs that individually are of less value as targets.

The report issued by the President's Commission reflects the dedication and patriotism with which this bipartisan group of distinguished Americans responded to the task given them. Let me end, then, by quoting from the end of their report:

"If we can begin to see ourselves, in dealing with these issues, not as political partisans or as crusaders for one specific solution to a part of this complex set of problems, but rather as citizens of a great nation with the humbling obligation to persevere in the long-run task of preserving both peace and liberty for the world, a common perspective may finally be found."●

UNIVERSITY OF MICHIGAN MARCHES ON

● Mr. RIEGLE. Mr. President, the University of Michigan marching band, under the direction of Eric Becher, has been selected as the country's outstanding college marching band. The first annual Louis Sudler trophy was presented to the band on January 1, 1983, at the Rose Bowl. Louis Sudler, founder of the award and executive chairperson of the John Philip Sousa Foundation, honored the band for its excellent marching program. I would like to take a moment to personally recognize this group of spirited, talented musicians and directors for their impressive accomplishments and dedication.

Directors from over 600 bands with teams in the NCAA Football League and 100 prominent sports writers voted overwhelmingly to select the Michigan band as best meeting the standards of excellence outlined by Mr. Sudler. These qualifications are to:

Demonstrate the highest marching standards, innovative marching routines and ideas and to make important contributions to the advancement of the performance standards of college marching bands over several years.

One of the largest and oldest bands in the country, the University of Michigan marching band dates back to the 1850's, long before the football program began. This year, the band had more than 230 members.

Over the years, the band has undergone continuous refinement, not to mention countless hours of grueling drills and practice to attain its current level of excellence. Under the guidance of several of the Nation's most talented university band directors such as Nicholas Falcone, William D. Revelli, George Cavender, and now Eric Becher, this band has become known nationwide and thoughout the world as second to none among university marching bands.

Hail to the University of Michigan marching band, the band of the victors. Its diligence and creativity has and always will be the pride of Michigan.●

BOSTON GLOBE WINS A PULITZER

● Mr. TSONGAS. Mr. President, earlier this week, Columbia University announced the 1983 Pulitzer Prizes for distinguished work in journalism and the arts. The 19 winners were selected from a field of 1,264 entries. Among them was the Boston Globe which received the national reporting award for a 56-page supplement titled "War and Peace in the Nuclear Age." It is the ninth Pulitzer the newspaper has won in less than two decades.

I commend the Boston Globe for winning journalism's most prestigious award again this year and to congratulate the Globe's editor, Tom Winship, and its publisher, William O. Taylor, for their outstanding service to the people of Massachusetts and New England.

In particular, I should like to cite the nine reporters and editors at the Globe who were directly responsible for the award-winning publication. They are: Michael Janeway, managing editor of the Sunday Globe; Lucy Bartholomay, Sunday art editor; Fred Kaplan, military reporter; Ron Campisi, design director; William Beecher, diplomatic correspondent; Randolph "Ry" Ryan, editorial writer; John Powers, reporter; Christina Robb, writer for the Sunday magazine and Harry King, a metro editor.

Mr. President, growing public concern about the risks of nuclear war has spawned a national grassroots nuclear-freeze movement. Citizens of Massachusetts and other New England States have been in the forefront of this movement. The Boston Globe's contribution to public education and enlightenment on this singularly important issue is an example of journalism at its finest. I ask my colleagues in the Senate to join me in congratulating the Boston Globe on its continuing commitment to excellence.●

LEV OVSISCHER

● Mr. DIXON. Mr. President, I rise today to bring to the attention of our colleagues an article written by Shirley Friedman about the plight of the Ovsischer family, refuseniks from Minsk.

I think this article is well written and important, because we cannot forget the plight of those who are less fortunate than ourselves. The Ovsischers and all Soviet Jews who are trying to emigrate from the Soviet Union deserve our continual and sincere concern.

I ask that the article be printed in its entirety as a reminder that we should continue to press the Soviets to loosen their policies with respect to the refuseniks, who are denied the most basic of human rights.

Thank you.

The article follows:

[From Jewish Chicago, March 1983]

LEV OVSISCHER, MORE THAN A HERO

(By Shirley Freedman)

On March 4, 1943, five thousand Jews were massacred by the Nazis in Minsk. In recent years the Jews of Minsk have held annual memorials at the site of the mass murder. These yearly commemorations have become an outward sign of Jewish solidarity in a town where Soviet anti-Semitism has been particularly virulent. Each year a short, gray-haired, middle-aged man regularly addresses the assembled Jews—a unique public display in Russian life. That man is Lev Ovsischer.

At the time of the World War II Nazi outrage in Minsk, Colonel Lev Ovsischer was in command of a squadron of fighter bombers which was highly-commended by the Soviet government for an outstanding number of daring sorties against the enemy. After being wounded in the crucial Battle of Stalingrad, Lev was transferred to the General Staff Headquarters. For his courage and dedication to duty and country, Col. Ovsischer was decorated with fifteen medals, including the Soviet Union's highest military decoration. Indeed, as Lev Ovsischer was often to emphasize, 170,000 Soviet Jews were decorated during World War II. In 1961 Col. Ovsischer went into the Reserves, and has not been called up since then.

Yet today, the man who had been officially designated as a "Hero of the Soviet Union" has been stripped of his military rank, deprived of his army pension and lives in extreme economic and personal difficulty. His telephone is often disconnected, and correspondence may not get through to him. In 1973 Lev Ovsischer was arrested and put on trial for six months. Both he and his wife, Nadezhda, were constantly threatened with physical violence as part of a continuing program of harassment by the dreaded Soviet secret police, the KGB. So unbearable had life in Minsk become that Lev wrote to a friend in England these words of desperation: "Save me . . . save me from the abyss."

What was Lev Ovsischer's "crime"? What caused this honored military hero to be treated as a pariah, to be denied those few rights guaranteed even under Soviet law? What made the Ovsischers decide to risk their lives of comparative comfort? The answer is a simple one: Lev Ovsischer wanted to live as a Jew, and in 1971 he applied for a visa to emigrate to Israel.

And so Lev and Nadezhda Ovsischer became "refuseniks," joining that incredible brave group of visible and outspoken Russian Jews whose applications for a visa have been repeatedly denied. The official reason given for refusing the Ovsischer's application is that Lev possesses military secrets, even though more than twenty years have lapsed since his army service.

The sequence of events following Lev's request for permission to leave has become an all-too familiar pattern of persecution. The KGB searched and ransacked the Ovsischers' apartment, confiscating any books of Jewish interest. Their freedom of movement was severely restricted; friends and acquaintances were questioned in an effort to attain damaging evidence against Lev, and were warned against further contact with him.

Educated as an economist, Lev was prevented from supporting his wife and daughter. Although from time to time he was able to find menial jobs, he was dismissed when this was discovered by the KGB. He was told that because he had a university education, he was taking the place of an unqualified worker! Due to the efforts of the KGB to convict Lev of anti-Soviet activity, as well as accusations of his being "pro-Zionist," he has been unable to obtain professional employment.

However, despite numerous interrogations by the KGB, a trial on trumped-up charges and continuing attacks by prominent journalists in the Soviet press, Lev has persisted in emphasizing his Jewish identity by organizing study groups in Minsk on Jewish History and Culture.

Lev Ovsischer was not the only Jew to become disillusioned with the Party. However, he refused to be silent over the treatment of Jews in the Soviet Union, and became known as a vocal campaigner for Jewish rights, protesting trials against Jews in Leningrad and elsewhere. Together with the late Yefim Davidovich, Lev joined a number of retired Jewish officers who struggled tirelessly in the fight against official anti-Semitism. Davidovich achieved his dream of being in Israel only in death, when the Soviet government allowed his body to be taken to Israel for burial.

In 1979 the Ovsischers' only child, Tanya, was allowed to emigrate to Israel. The separation of parents and daughter became even more difficult when Nadezhda developed serious heart trouble. With that ultimate cruelty at which the Soviets excel, Lev was rarely even permitted to visit his wife in the hospital, although it was evident that her condition was critical. Ravaged by a series of heart attacks, Nadezhda finally succumbed; and Lev faces 1983 alone. Although he is overwhelmed with grief and his own health has deteriorated, his will and spirit remain unbroken—he will not surrender his dream of Israel.

Lev Ovsischer has not only become an inspiration to his fellow Jews in Minsk—he has become a symbol in the Soviet Jewry movement throughout the world. The Ovsischers were "adopted" by Jewish families in California, Colorado, Florida, Illinois and New York, as well as in Canada, England, France and Israel.

Although the number of Jews allowed to leave the Soviet Union is at its lowest ebb, the campaign to secure the release of Lev Ovsischer remains undaunted. As we take note in these few words of the remarkable courage and shining resolve of Lev Ovsischer to live freely as a Jew in Israel, we urge our readers to add their voices on his behalf. Write regularly to Anatoly Dobrynin, Embassy of the U.S.S.R., 1125 16th St., N.W., Washington, D.C. 20036. Your message can be brief: "We urge your government to recognize the right of Lev Ovsischer of Minsk to emigrate to his ancient homeland of Israel. Grant his application for a visa. Let him go."●

ORDER FOR RECESS UNTIL MONDAY, APRIL 25, 1983

Mr. STEVENS. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 12 noon Monday, April 25, 1983, for a pro forma session of the Senate only.

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

ORDER FOR ADJOURNMENT FOLLOWING PRO FORMA SESSION ON MONDAY UNTIL 2 P.M., TUESDAY, APRIL 26, 1983

Mr. STEVENS. Mr. President, I further ask unanimous consent that following the pro forma session on Monday the Senate stand in adjournment until 2 p.m. on Tuesday, April 26, 1983.

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

ORDER OF PROCEDURE ON TUESDAY, APRIL 26, 1983

Mr. STEVENS. Mr. President, I also ask unanimous consent that when the Senate convenes on Tuesday, April 26, 1983, the reading of the Journal be dispensed with, no resolutions come over the rule, the call of the calendar be dispensed with; that following the time allocated to the two leaders under the standing order, there be a period for the transaction of routine morning business not to exceed 30 minutes in length, with Senators permitted to speak therein for not more than 5 minutes each; and provided further that the morning hour be deemed to have expired.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alaska?

Mr. BYRD. Mr. President, reserving the right to object, this does not include a provision against any bills that may have been introduced and may be placed on the calendar under rule XIV.

Mr. STEVENS. That is correct. I thank the distinguished Democratic leader for the improvement of the request and add that to the request.

Mr. BYRD. Mr. President, if the Senator wants to include that it is all right. In other words, if the Senator wishes to leave this as it is written without any such provision it is all right. I have no objection.

Mr. STEVENS. I thank the Senator for his consideration and I am informed that there will be a bill come over under the rule and be placed on the calendar. Therefore, it should not be in the unanimous-consent request. So I withdraw that request to add rule XIV to this unanimous-consent request and again present to the Senate my request.

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

CLOSED SESSION LIKELY ON TUESDAY, APRIL 26, 1983

Mr. STEVENS. Mr. President, I want to state for the record and to the Senate that it is my understanding that a request will be made on Tuesday that the Senate go into a secret session. That matter, I am informed, will be discussed by the majority leader with my distinguished friend from West Virginia, the minority leader, sometime over the weekend. We hope that an announcement will be made on Monday concerning the time for such a session, if it is to occur on Tuesday.

We further intend to proceed to the two bankruptcy bills which have been discussed.

I say to my good friend that I am not now at the point to ask unanimous consent to proceed to the consideration of either bill. We are checking that out again, to see if we could have an understanding that on Monday we could announce which of the bills will be considered first, rather than have any consent during the pro forma session. I would appreciate that courtesy. We are not able to get an agreement on which bill will come up first. It is our intention to move to the bankruptcy bills on Tuesday.

Mr. BYRD. Mr. President, will the distinguished acting Republican leader yield?

Mr. STEVENS. I yield.

Mr. BYRD. I thank the Senator for stating that it is the intention of the leadership to proceed on Tuesday to one of the two bankruptcy bills, so that Senators on our side will be on notice of that.

I also think it only fair to the distinguished acting Republican leader for me to state that it is my present judgment that a motion will be made by a Senator on this side of the aisle, at approximately 2 p.m. or 2:30 p.m. on Tuesday, for a closed session. That motion will be seconded.

So I think I should say to the distinguished acting Republican leader that there is every likelihood that there will be a closed session on Tuesday afternoon, and I think the Senate should be prepared for such clearing procedures as need to be done in advance of such a closed session. Perhaps the acting majority leader would want to put those procedures into motion over the weekend in time for the closed session.

Mr. STEVENS. I thank the Senator from West Virginia for his suggestion. We will be prepared to do that.

However, I again state that it is my understanding that the distinguished Senator from Tennessee will telephone the Senator from West Virginia, prior to the session on Monday, to discuss that matter, so that we may make an announcement as to the timing.

Mr. BYRD. Mr. President, do I correctly understand that the pro forma session on Monday will indeed be only a pro forma session, that no business will be transacted, no speeches, no bills introduced and that the Senate will immediately go out?

Mr. STEVENS. The Senator is correct. That is the intention of the unanimous-consent request which has been entered.

It would be our intention to state before that, in the "dugout chatter," the concept of what is going to occur on the next day.

We have no intention to conduct any business or make any motions or take up any matter before the Senate.

Mr. BYRD. I thank the Senator.

Mr. STEVENS. We will try to beat the Senator's record in terms of a pro forma session.

RECESS UNTIL MONDAY, APRIL 25, 1983

Mr. STEVENS. Mr. President, is there any further business to come before the Senate?

If no Senator has any further business to come before the Senate, I ask unanimous consent that the Senate stand in recess in accordance with the previous order.

There being no objection, the Senate, at 6:47 p.m., recessed until Monday, April 25, 1983, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate April 21, 1983:

DEPARTMENT OF STATE

Arthur Winston Lewis, 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 Sierra Leone.

THE JUDICIARY

Sherman E. Unger, of Ohio, to be U.S. Circuit Judge for the Federal Circuit, vice Robert L. Kunzig, deceased.

IN THE NAVY

The following-named officer, under the provisions of title 10, United States Code, section 5141, for appointment as Chief of Naval Personnel for a term of 4 years:

To be chief of Naval personnel

Vice Adm. William P. Lawrence, 410-44-3904/1310, U.S. Navy.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 21, 1983:

IN THE AIR FORCE

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

Lt. Gen. William R. Nelson, [redacted]FR, U.S. Air Force.

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 lieutenant general

Maj. Gen. Jack I. Gregory, [redacted]FR, U.S. Air Force.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be general

Gen. Donn A. Starry, [redacted] (age 57), U.S. Army.

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 lieutenant general

Maj. Gen. John D. Bruen [redacted], U.S. Army.

The followed-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 general

Lt. Gen. Maxwell R. Thurman, [redacted], U.S. Army.

The followed-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Jack N. Merritt, [redacted], U.S. Army.

The followed-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Richard G. Trefry [redacted] (age 58), U.S. Army.

The followed-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Nathaniel R. Thompson, Jr., [redacted], U.S. Army.

The followed-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 general

Lt. Gen. Paul F. Gorman [redacted], U.S. Army.

The followed-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 general

Lt. Gen. Wallace H. Nutting, [redacted] U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Raphael D. Tice [redacted] (age 55), U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. William J. Hilsman, [redacted] (age 50), U.S. Army.

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. James R. Hogg, [redacted]/1110, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. "M" Stasser Holcomb, [redacted]/1310, U.S. Navy.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370.

To be admiral

Adm. John G. Williams, Jr., [redacted]/1120, U.S. Navy.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370.

To be vice admiral

Vice Adm. Edward P. Travers, [redacted]/1120, U.S. Navy.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370.

To be vice admiral

Vice Adm. Kent J. Carroll, [redacted]/1110, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 5142, to be assigned as the Chief of Chaplains, U.S. Navy:

Rear Adm. Neil M. Stevenson, Chaplain Corps, [redacted]/4100, U.S. Navy.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, sections 5133 and 1370.

To be vice admiral

Vice Adm. J. William Cox, Medical Corps, [redacted]/2100, U.S. Navy.

The following-named captains of the Reserve of the U.S. Navy for permanent promotion to the grade of commodore in the Line and staff corps, as indicated, pursuant to the provisions of title 10, United States Code, section 5912:

UNRESTRICTED LINE OFFICER

John Joseph Sweeney
John Edward Love
Kenneth Edward Myatt
John Edward Summers

SPECIAL DUTY OFFICER (CRYPTOLOGY)

William Joseph Miles

SPECIAL DUTY OFFICER (INTELLIGENCE)

Robert Patrick Tiernan

MEDICAL CORPS OFFICER

John Duncan Tolmie
James Glen Roberts

SUPPLY CORPS OFFICER

Philip Arthur Whitacre

JUDGE ADVOCATE GENERAL'S CORPS OFFICER

Robert Edward Wiss

DENTAL CORPS OFFICER

Edward John O'Shea, Jr.

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. Edward H. Martin, [redacted]/1310, 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. Bernard M. Kauderer, [redacted]/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. Powell F. Carter, Jr., [redacted]/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. James B. Busey, IV, [redacted]/1310, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be admiral

Adm. William J. Crow, Jr., [redacted]/1120, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be admiral

Adm. William N. Small, [redacted]/1310, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. William H. Rowden, [redacted]/1110. U.S. Navy.

THE JUDICIARY

William H. Barbour, Jr., of Mississippi, to be U.S. district judge for the southern district of Mississippi.

IN THE AIR FORCE

Air Force nominations beginning Fred E. Ellis, and ending Martin A. Lukacs, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 21, 1983.

Air Force nominations beginning Lynn R. Anderson, and ending Ronald S. Tourigny, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 21, 1983.

IN THE MARINE CORPS

Marine Corps nominations beginning William S. Ainsley, III, and ending Harvey L. Zimmerle, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 22, 1983.

IN THE NAVY

Navy nominations beginning Donald Lewis Abbey, and ending Julian Maynard Wright, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 22, 1983.