SENATE—*Wednesday, August 1, 1984*

(Legislative day of Monday, July 30, 1984)

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

The PRESIDENT pro tempore. Our prayer today will be offered by the Reverend Roberto Balducelli, pastor, St. Anthony of Padua Roman Catholic Church, Wilmington, DE. He is sponsored by Senator JOSEPH R. BIDEN, JR.

PRAYER

The Reverend Roberto Balducelli, O.S.F.S., pastor, St. Anthony of Padua Roman Catholic Church, Wilmington, DE, offered the following prayer:

Let us pray.

Almighty God, as we assemble this day to meet the responsibilities of our office, we want to acknowledge Your lordship, and give praise to Your name.

We ask You for the blessing of Your presence in our midst.

Let the awareness of Your presence be a source of strength to us. Let it lend wisdom to our deliberations, and rightness to our decisions.

Let it be inspiration and courage for us.

We ask You kindly to bless the seriousness of our intentions.

Through the power of Your presence, lend efficacy to our efforts on behalf of the dignity, justice, and peace in the world.

You are the foundation of human dignity, the source of assurance and tranquility and especially of the tranquility of order, which is peace.

In the history of our Nation, the mandate is engraved that our aim as a nation should be the affirmation of Your rule.

Let our work this day contribute to that affirmation and that rule and so to the glory of Your name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

COMMENDATION OF THE VISITING CHAPLAIN

Mr. BAKER. Mr. President, I recall with great pleasure a trip that I took as a part of an official delegation to Europe years ago. Senator BIDEN was a member of that delegation. And in the course of our travels we stopped off in Rome, and visited the Vatican. It was a great honor at that time to be received by the Holy Father, and to have an opportunity to visit with him. But perhaps my most vivid memory of that occasion is not the audience with the Pope, but rather my acquaintance with Father Robert who gave us the opening prayer this morning. He is a man of many talents who has served with great distinction. But a quality of Father Robert's at that time emerged that I had not previously suspected. Father Robert obviously is and was then a young man. But on that occasion I chose after the audience with the Pope to engage in my most favorite hobby of photography, and my colleague should know that I substitute the bulk of equipment for lack of talent and artistic quality. And I was loaded down.

Nothing would do, but that I had to climb to the top of the dome of St. Peters which is no small chore. It is a huge edifice, as many of my friends and colleagues know, and of inspirational design. But the access to the top of the dome is not terribly convenient nor an easy path to traverse. And I was struggling with my mound of photographic equipment through the narrow stairways and corridors leading to the top, the pinnacle of St. Peter's, and I was really about to lay down my burden, travel alone, and miss the opportunity to take the grand vista and vision of the Holy City stretching out before us when Father Robert said, "Would you like me to help you with your load?" And so there I was, and a man somewhat junior to Father Robert, agreeing readily and enthusiastically to share my burden with this man of God who was then showing me talents that I had not previously suspected.

To make a long story short, Mr. President, we reached the top of St. Peter's, and I was worn out even with half of my equipment. And Father Robert was there dancing about the small catwalk at the very pinnacle not even breathing hard. And then I knew that the Lord had favored him with many qualities, but one was his eternal youth.

Mr. President, I have grown to know Father Robert since then on a more personal basis, and I wish to say that I express my appreciation to Senator BIDEN for making it possible for me to hear once more the resonant tones of Father Robert, to welcome him to the Senate of the United States, and to say that his stamina and physical strength, to say nothing of his moral strength, make me stand in awe.

Mr. BIDEN. Will the Senator yield for a brief moment?

Mr. BAKER. Yes.

Mr. BIDEN. The eloquent statement by the Senator from Tennessee I am sure is felt deeply by Father Robert. I should note for the Senator from Tennessee that there is in Father Robert's office hanging above his desk, his credenza, not a picture of the Senator from Delaware, not anything having anything to do with the Senator from Delaware, but a magnificent picture taken by the Senator from Tennessee from that very pinnacle, and alongside that several pictures and letters from the Senator from Tennessee.

So I am not at all surprised about Father Robert carrying your load because he has been carrying mine for 10 years. I was surprised at one thing on that trip, also I say to my friend from Tennessee. It was not his stamina, it was not his knowledge of the subject matter, it was not the grace with which he translated for me with the Secretary of State of the Vatican, better known by some as the Kissinger of the Vatican, Cardinal Agostino Casaroli, but it is when we went to see the Minister of Interior dealing with the need to coordinate the United States-Italian antidrug efforts that really I learned a new dimension of Father Robert. As we all left the Minister's office and walked down the corridors, we looked to see where Father Robert was. It turned out that Father Robert continued to make diplomatic policy for the United States, because as I looked back I saw four hands moving like this as rapidly as they could, two of which belonged to the priest from my small city, and two which belonged to the Minister of the Interior. God only knows what they agreed on, I say to the Senator from Tennessee.

But I must say, Mr. President, relations between the United States and the Italian Government with regard to international drug traffic have gotten much better since that day. I do not know who is responsible, but I suspect maybe Father Robert is. I thank the leader for his indulgence, and I yield the floor.

Mr. BAKER. Mr. President, I thank the Senator from Delaware for his remarks. I once again welcome with warm enthusiasm Father Robert. He is a great man and a good friend.

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

SENATE SCHEDULE

Mr. BAKER. Mr. President, today I hope we will be able to reach the agriculture appropriations bill and dispose of it. I also hope that we may be able to take up the military construction appropriations bill. I do not, however, expect to complete that bill today.

Tomorrow, Mr. President, I anticipate we will go to the foreign assistance authorization bill. We will probably require time on both Thursday and Friday. I do not anticipate a Saturday session. I do anticipate, however, that Thursday might be later than normal in order to try to finish that bill.

Mr. President, I may have extended beyond the time allocated under the standing order. If I have, would the minority leader object if I took 1 more minute with a similar amount to be added to his time?

Mr. BYRD. Mr. President, I am happy to have the distinguished majority leader utilize 5 minutes of my time.

Mr. BAKER. I thank the Senator. I have a request from the distinguished President pro tem who has to leave the Chamber to attend other matters.

Mr. BYRD. Mr. President, I yield such time as the distinguished Senator may require.

Mr. BAKER. I thank the Senator. I yield to the Senator from South Carolina.

RECOGNITION OF SENATOR THURMOND

The PRESIDING OFFICER (Mr. KASTEN). Under the previous order, the Senator from South Carolina [Mr. THURMOND] is recognized for not to exceed 15 minutes.

TRIBUTE TO MAJ. GEN. FRANCIS S. GREENLIEF

Mr. THURMOND. Mr. President, I rise this morning to bring to the attention of the Senate and the Nation the recent retirement of a man whose leadership, intelligence and unselfish work have resulted in a truly significant contribution to our Nation's national security.

The man of whom I speak is Maj. Gen. Francis S. Greenlief, former head of the Army National Guard, the National Guard Bureau, and now recently retired as executive vice-president of the Washington-based National Guard Association of the United States.

Mr. President, it has been my privilege to know General Greenlief during his time as head of the Washington office of the National Guard Association. Because of the programs initiated by that association during his tenure, the Congress has added more than $4 billion to defense budgets to purchase equipment for the National Guard. In addition, the Congress has passed approximately 45 major pieces of legislation aimed at increasing the readiness of the Guard. Most of these actions were a direct result of General Greenlief's efforts.

His efforts have helped make the total force policy one of reality and also contributed significantly to the increased state of readiness of the National Guard.

Mr. President, during his tenure, it was my pleasure to often confer with General Greenlief regarding the needs of the Guard. He always came to visit with a folder full of facts to justify the legislative steps proposed by the Guard Association. His professionalism, integrity and candor were the key factors in winning congressional support for the National Guard Association initiatives.

General Greenlief's success in the Congress was due in large part to the work he did before he knocked on our doors. He enjoyed a fine relationship with the officers and enlisted personnel of the Guard throughout the Nation. Together they determined their priority unfulfilled needs, and General Greenlief ably presented those needs to the Congress.

Mr. President, during my recent visit to the battlefields of Normandy, I encountered General Greenlief checking out the land where he first commanded men in combat as a rifle platoon leader. Having enlisted in the National Guard in his native State of Nebraska, he came to Normandy with tens of thousands of men to fight and win World War II. After Normandy he participated in the northern France, Rhineland and Ardennes Campaigns. He holds Distinguished Service Medals from both the Army and Air Force, the Silver and Bronze Star Medals for heroism, the Purple Heart with three oak leaf clusters, the Combat Infantryman's Badge, the Croix de Guerre with Gold Star and numerous other active duty decorations. At the conclusion of World War II, General Greenlief returned to Nebraska where he worked his way through the ranks to become Acting Assistant Adjutant General of Nebraska and Division Chief of Staff of the 34th Infantry Division.

In 1960, he came to Washington as Executive Officer of the National Guard Bureau's Army Directorate. In 1963, he was appointed as the Deputy Chief of the National Guard Bureau. General Greenlief was promoted to the rank of major general on February 9, 1965 and in 1967 he was extended for an additional 4-year term as the Deputy Chief of the National Guard Bureau. It was during his second term in 1970 that he was appointed Director of the Army National Guard in addition to his duties as the Deputy Chief of the Guard Bureau. In 1971, he was appointed by the President as the Chief of the National Guard Bureau.

Mr. President, it was during this period that General Greenlief recognized the lack of cohesion in the Army Guard's Aviation Program. Although a man in his early fifties, he undertook training in rotary and fixed wing aircraft, earned his Army aviator wings, and revitalized the Army Guard's Aviation Programs. Today he is recognized as the "Patron Saint of Army Guard Aviation." In a rare tribute to a living person, the Guard Bureau established the Francis S. Greenlief Award for excellence in Army aviation. This award is the most sought after award for Army Guard aviators.

In 1974, General Greenlief retired as the Chief of the National Guard Bureau and accepted a position on the staff of the National Guard Association of the United States. In September of 1975, he was appointed the executive vice president of the association, and he held this post until his retirement on July 1 of this year. Upon his retirement from the association, he was called to the office of the Secretary of the Army and presented the Army's Distinguished Civilian Service Medal.

Mr. President, General Greenlief is certainly one of the most outstanding military leaders ever produced in this country. A man of solid character, superior leadership qualities and deep patriotism, his contributions to our national security will be reflected in Guard readiness and strength for many years to come.

In conclusion I ask unanimous consent that there be placed in the RECORD at the end of my remarks a news release dated June 13, 1984, announcing General Greenlief's retirement from the National Guard Association of the United States.

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

GREENLIEF TO RETIRE AS NATIONAL GUARD ASSOCIATION EXECUTIVE VICE PRESIDENT

WASHINGTON, DC (NGAUS).—Major General Francis S. Greenlief (Ret.) will retire as Executive Vice President of the National Guard Association of the United States (NGAUS) on 1 July, after 10 years of service in that position.

During his tenure with the 56,000-member Association, the Congress added more than $4 billion in equipment for the National Guard and passed 45 major pieces of legislation aimed at increasing the readiness of the National Guard within the total force. Working in the authorization bill this session are more than a half billion dollars in equipment add-ons and four major pieces of Guard legislation.

Greenlief brought to the Association position 35 years of National Guard experience, which culminated in his 1971-1974 service as Chief of the National Guard Bureau.

During his tour as Guard Bureau chief, Greenlief implemented numerous innovative programs, to include expansion of black and female participation in the National

Guard, and more than doubling Army Guard aviation strength and aircraft inventory. He also developed an Army Guard aviation safety program which has had positive and long-lasting results in life and material savings. During his service as chief, he quickly recognized the seriousness of a "no-draft" environment to the National Guard and immediately instituted steps to insure maintenance of adequate strength, which were successful.

When the Total Force Policy was penned, Greenlief personally worked to insure the Departments of Army and Air Force understood the Policy's meaning, and that each state adjutant general also understood the words meant what they said—the Guard is a part of the total force. As a result, the 50 states, Puerto Rico, the District of Columbia and the Virgin Islands achieved the most mobilization-ready force the United States ever had in the reserve components, according to a joint resolution adopted by the Congress in 1974.

The general began his military career in 1940 as a private with the Nebraska National Guard, was ordered to active duty that year as a corporal, became acting first sergeant of G Company of the 134th Infantry in 1942 and entered Office Candidate School that same year. Following graduation, he served during the war as commanding officer of Company L, 134th Infantry, participating in the Normandy, Northern France, Rhineland and Ardennes Campaigns.

Returning to the Nebraska Guard, Greenlief worked his way through the ranks to become acting assistant adjutant general of Nebraska and division chief of staff. He was assigned as executive officer of the Guard Bureau's Army Division in 1960 and was designated as the assistant chief for Army in 1965. The following year, he was appointed as the Bureau's deputy chief. In 1965, he was promoted to major general, and in 1970, he was appointed director of the Army National Guard in addition to his duties as Bureau deputy chief. He was appointed by the President as Chief of the Bureau in September of 1971. In addition to his Bureau positions, Greenlief completed flight training and was designated an Army aviator in 1969.

Greenlief's awards and decorations include the Distinguished Service Medal, USA, with cluster; Distinguished Service Medal, USAF; Silver Star; Bronze Star; Purple Heart with three Oak Leaf Clusters; Croix de Guerre with Gold Star; European-African-Middle Eastern Campaign Medal with four Battle Stars; the Combat Infantry Badge and the Army Aviator Badge; Distinguished Service Medal, NGAUS; and many state awards.

Major General Greenlief resides in Vienna, Virginia with his wife, Mavis, and daughter Connie.

MAJ. GEN. FRANCIS GREENLIEF

Mr. EXON. Mr. President, I am pleased to honor a fellow Nebraskan today, Maj. Gen. Francis Greenlief, retired, the retiring executive vice president of the National Guard Association of the United States.

General Greenlief has a long and distinguished career of service of his country, beginning with his enlistment in the Nebraska National Guard in July 1940. Shortly thereafter he graduated from officer candidate school and served as an infantry platoon leader and company commander with the 134th Infantry Regiment, Nebraska National Guard, as that regiment fought its way across France and into Germany.

After the war General Greenlief continued his service with the Guard, including a tour as acting assistant adjutant general of Nebraska. In 1960, he was ordered to active duty with the National Guard Bureau. Later, while serving as deputy chief, National Guard Bureau, General Greenlief completed flight training in both fixed and rotary wing aircraft. This is a rather notable achievement for so senior an officer.

General Greenlief served as the chief of the National Guard Bureau during the early 1970's—a period of major change for our armed services. He quickly recognized the potentially negative impact upon the Guard of the change from compulsory to voluntary service and immediately took action to ensure the maintenance of adequate strength within the Guard. That he was successful in this endeavor is testimony to his outstanding qualities as a leader and a manager.

General Greenlief also implemented numerous innovative programs to expand the involvement of blacks and women in the Guard, as well as expanding the role of Army Guard aviation.

And with the advent of the total force policy whereby the Reserve components of our Armed Forces play an increasing role in our overall national security, General Greenlief personally worked to truly integrate the Guard into an overall force structure. The Congress recognized his success by a joint resolution in 1974 which noted that the Guard had achieved the most mobilization-ready force the United States had ever had in the Reserve components.

After his retirement from active service, General Greenlief continued to work for a strong, modern, and ready Guard while serving as the executive vice president of the National Guard Association of the United States. His 10-year tenure at the National Guard Association yielded the same success he had achieved in uniform. Largely because of his dedicated efforts, the Guard stands more ready than ever.

I am sure all Senators and patriots everywhere share my respect for and appreciation of Gen. Fran Greenlief. His advice and counsel have been invaluable to me over the years. He has been a true friend and I wish him all the best and Godspeed in his future endeavors. He has been an inspiration to us all.

Mr. BOSCHWITZ. Mr. President, it is a real pleasure to be able to make some brief comments on the career of Francis Greenlief on the occasion of his retirement from his position as executive vice president of the National Guard Association.

I'm sure there are others who can and will comment in greater length on General Greenlief's service to our country during the Second World War. His service in Europe during that conflict was of the highest caliber and would, in itself, have justified the high esteem in which he is held. His work since then has only added to the magnificent record he compiled during those war years.

I would like to focus my own remarks on two aspects of General Greenlief's work which have had a particular impact on our own National Guard in Minnesota. The first contribution I'd like to acknowledge was General Greenlief's work on the Norwegian-Minnesota National Guard Exchange program. This program sends members of the Armed Forces from these States on exchange training programs every year. It has been a tremendous source of knowledge for all concerned, as well as an enhancement of the relationship between two NATO allies. It was General Greenlief's support for this fine project back when he was the Chief of the National Guard Bureau that got it off the ground. It continues to this day and is a constant reminder to us in Minnesota of the fine work he did in that position.

On a more general note, if you will pardon the expression, I also want to thank General Greenlief for his work as the executive vice president of the National Guard Assocation, particularly in the area of readiness. His work in Washington, both in the Pentagon and here on Capitol Hill, has helped to insure that the men of the Minnesota National Guard receive the priority they should when it comes to doling out defense dollars. We have had a marked improvement in the combat readiness of our forces in Minnesota, and I am sure that's true for the Guard units of other States as well. General Greenlief's efforts during the past 10 years are, in no small part, responsible for much of that improvement.

We do not pause here in Washington often enough to say thank you. I commend my friend, the senior Senator from South Carolina, for setting aside this time for the members to express our gratitude to a man whose career has so materially benefited the National Guard units of our individual States and, thereby, our Nation as a whole. We in Minnesota remember what you have done for us, General, and we thank you for it.

Mr. WARNER. Mr. President, it is a pleasure and an honor to have the opportunity to say a few words to recognize the outstanding contributions which Maj. Gen. Francis Greenlief has made to our national security.

As executive vice president of the National Guard Association for the past 10 years, General Greenlief's support of our national defense has been outstanding in every respect.

His experience in the National Guard spans some 35 years, and in his last tour of duty he served as Chief of the National Guard Bureau.

He was instrumental in initiating progressive programs to modernize the National Guard and increase its combat readiness.

I am particularly grateful to him for his assistance in providing fowardlooking infrared systems for Army National Guard units—the 149th Tactical Fighter Squadron of the Virginia Air National Guard being one of the first units to receive these systems.

As a result of his support, these A-7 attack squadrons will have the ability to operate in combat in darkness and reduced visibility.

I commend General Greenlief for his selfless dedication and outstanding service to the Nation and wish him and his family a well-deserved and most happy retirement.

Mr. NUNN. Mr. President, I welcome the opportunity to join my colleagues in paying tribute to Maj. Gen. Francis S. Greenlief, USA, retired, who recently retired as executive vice president of the National Guard Association of the United States.

Fran Greenlief, as he is known to both soldiers and statesmen, experienced and helped shape over four decades of the National Guard. He knows the travails of the foot soldier in combat as a combat veteran of World War II, the decades of peacetime training, and the selective mobilization of Guard Forces during the Vietnam conflict. As director of the Army National Guard and later chief, National Guard Bureau, Fran Greenlief led the National Guard from the status of a provincial, weekend militia to a potent fighting force capable of carrying a significant portion of the Nation's defense mission.

General Greenlief's service to the Guard and the Nation did not end with military retirement in 1974. As the executive vice president of the National Guard Association of the United States, he was the moving force behind turning the idea of "total force" into a reality. The rapid improvement of the Guard's readiness and combat capability was not simply a matter of more and better equipment, although that was an important element. Under Fran Greenlief's leadership, the Guard became a full-fledged member of the "total force" through equal opportunity recruiting and promotion; a revitalized, combat-oriented leadership; and an assumption of many high-priority missions with rapid mobilization responsibilities.

The Guard of today is becoming equipped with the most modern weapons; trained in the latest, most challenging exercises; and holding its own in healthy competition with Active and Reserve components. The readiness of the National Guard is a critical component of our Nation's deterrent force. There are few leaders in the last 50 years who have had as sustained and profound an influence in shaping this important force.

The Nation owes a debt of gratitude to Fran Greenlief. We wish him and his charming wife, Mavis, well in their well-deserved second retirement.

Mr. BOREN. Mr. President, I commend the distinguished senior Senator from South Carolina for organizing the tribute to an able and outstanding soldier. Fran Greenlief has compiled a record of service that is to be envied and admired by all.

Starting as a private in the Nebraska National Guard in 1940, he literally rose through the ranks to culminate his active duty career as Chief, National Guard Bureau from 1971 to 1974. Upon retirement, he continued to serve his country with the National Guard Association, first as a distinguished member of the staff of that 56,000 member organization and later as the executive vice president of the association—the position from which he is now retiring.

To suggest that General Greenlief is in fact retiring from all association with the Guard is to ignore the scope of his activities over the past 35 years and the value that his colleagues placed on his advice and leadership.

Those of us who have been in the Guard ourselves and remain vitally interested in its health and well-being are sad at seeing the loss of the type of active leadership provided by Fran Greenlief, we are also pleased at seeing an old friend successfully reach another desired plateau in a productive life.

It is also a time to pay tribute to Fran's family—his wife, Mavis, and his daughter, Connie. He would be the first to point out that his success is their success and that without their support, the achievements we celebrate today would not have been possible.

My congratulations to General Greenlief and my best wishes to him and his family. I hope that his retirement will be as rich and full as his active career.

TEXTILE IMPORTS

Mr. THURMOND. Mr. President, this past Friday, July 27, 1984, I addressed the Senate regarding the growing problem of fraudulent imports of textile/apparel products into this country. In my statement, I pointed out that even though, from October 1983 to mid-July of this year, the Customs Service had seized $19.6 billion in illegally shipped textile products; this represents only a small portion of goods crossing our borders through fraudulent means. I questioned how our foreign trading partners, practically without impunity, could be allowed to operate or condone such an elaborate system of circumvention and disregard of our trade laws and agreements.

Thus, Mr. President, I was extremely pleased to see that the Reagan administration is initiating action to curtail the fraudulent shipment of textile products into this country. Customs Service Commissioner William Von Raab has announced plans to publish regulations designed to prevent frustration and subversion of our textile trade agreements and trade laws. Mr. President, I ask unanimous consent that an article appearing in today's Washington Post which further details this development be placed in the RECORD at this point.

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

WHITE HOUSE TIGHTENS TEXTILES IMPORT RULES, ADDS CUSTOMS AGENTS

(By Stuart Auerbach)

The Reagan administration, bowing to increasing election-year pressure from the domestic textile industry, is tightening import rules and increasing the number of customs officials to fight "textile bandits" who subvert quota regulations, Customs Commissioner William Von Raab said yesterday.

The new rules strengthen "country-of-origin" provisions and are aimed at stopping textile-exporting nations from evading quotas by shifting partially made garments to other countries for shipment under their unused quotas. The rules will be published in the Federal Register this week and take effect Sept. 7.

The stricter regulations are the result of a presidential directive, issued last May, ordering the government to restrict textile imports by eliminating abuses. Despite a presidential order last December that tightened import rules, textile imports continued to surge to record heights during the first fourt months of 1984.

At the time the December rules were announced, White House sources warned there would be more import restrictions if high levels of foreign textiles continued to surge into the country. Presidential aides said Reagan ordered the tougher rules because of a promise he had made to an influential textile-state Republican, Sen. Strom Thurmond of South Carolina.

The new regulations drew immediate opposition from retail groups, who said they would disrupt purchases already made for the Christmas season and increase consumer costs for clothing.

"This is a little overkill," said Thomas Hays, vice president of the May Co., who met yesterday afternoon with U.S. Trade Representative William E. Brock to protest the new regulations. Hays is an officer of the Retail Industry Trade Action Coalition formed this year as a counterforce to textile industry lobbying efforts.

The National Retail Merchants Association asked Senate Finance Committee

Chairman Robert J. Dole (R-Kan.) to register his objection to the administration move on the grounds that any trade retaliation would hurt American farmers.

Under present rules, a garment partially completed in one country but shipped to another for finishing is counted for quota purposes as originating in the second country if "substantial transformation" took place there. The new rules would change that so, for instance, a sweater whose parts were made in one country but assembled and finished in another would count against the first country's quota.

Exporting countries, mostly in the booming Pacific Rim nations of Southeast Asia, say garments sometimes are shipped from country to country to take advantage of low wage rates for labor-intensive tasks. But, they add, the labeled country of origin represents the major manufacturing nation.

Von Raab, however, called abuses of the country-of-origin rules "a major scheme" to evade U.S. quotas and cited cases where jeans made in one country were merely washed in another to qualify for the second country's quota.

"There are tremendous abuses out there that have to be addressed immediately," he said in an interview. He added that overseas suppliers "are too willing to charge through loopholes that maybe really aren't there."

To police the new rules, Van Raab said 60 new agents will be added in this country and overseas in the textile area alone.

Mr. THURMOND. In a related incident, to my dismay, I have recently discovered that, at least in one important case, a major trading partner had direct encouragement from the U.S. Government, under the previous administration, to increase their textile exports to this country with the assurance that applicable trade agreements would not be strictly enforced. In September 1980, the Carter-Mondale administration entered into a secret agreement with the People's Republic of China [PRC]. This agreement, which is set out in a letter from Mr. H. Reiter Webb, then chief textile negotiator, to the Chinese Ambassador, allowed the PRC to ship into the United States massive amounts of textile products with the assurance that our trade laws, designed to prevent flooding of markets by subsidized foreign products, would not be enforced. Mr. President, I ask unanimous consent that a copy of this September 12, 1980 letter, which was only recently brought to light through a Freedom of Information Act request, be placed in the RECORD following my remarks.

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

(See exhibit 1.)

Mr. THURMOND. Mr. President, the effects that this secret agreement had on the volume of textile imports from mainland China and the loss of American textile jobs are now all too well known. In a word, the results have been disastrous. The existence of this agreement helps explain how the PRC was able to jump from a minor exporter of textiles to the United States, in the mid-1970's, to the fourth largest exporter of textile goods to the United States today. Specifically, textile imports from that country increased from 221 million square yards in 1979 to 671 million square yards in 1982. That increase of 450 million square yards represents a net loss of over 100,000 U.S. textile jobs.

Mr. President, it is unfortunate that this agreement was made. It is absolutely appalling that the Carter/Mondale administration deliberately kept it secret from Congress and the textile industry. This clandestine manner of handling a major trade policy issue shows utter contempt for the American textile/apparel industry and its over 2 million employees nationwide. Absent a showing of national security implications, there was simply no valid reason to secret such an important augmentation of a key textile trade agreement.

Mr. President, I sincerely hope that we have not inherited any other secret agreements from the previous administration that have had the effect of flooding our markets, and displacing American workers. I also hope that no future administration, whether Democrat or Republican, will seek to make such a secretive, one-sided arrangement with any foreign country. It is most unfortunate that one of our basic industries and thousands of our citizens have suffered economic loss by this unwise decision.

Mr. President, again I wish to emphasize the importance of vigorous, evenhanded enforcement of our trade laws and of prompt action by Congress to improve those laws where necessary.

EXHIBIT 1

OFFICE OF THE
U.S. TRADE REPRESENTATIVE,
EXECUTIVE OFFICE OF THE PRESIDENT,
Washington, DC, September 12, 1980.

His Excellency CHAI ZEMIN,
Ambassador of the People's Republic of China, Washington, DC.

DEAR MR. AMBASSADOR: As agreed during the discussions leading to a bilateral textile trade agreement between our two nations, I wish to clarify the views and intentions of my Government as regards implementation of paragraph 8 (the consultative mechanism) of the Agreement.

Our two Governments recognize that textile trade between our two countries has only recently been reestablished and that the prospects of the trade and the current status of trade between our two countries should be taken into account.

Accordingly, consultations as envisioned under the consultative mechanism of this Agreement shall not be requested without reference to factors and criteria as contained in Annex A of the GATT Multi-Fiber Arrangement (MFA). A written statement will be supplied promptly which will include data similar to that contemplated in paragraphs 1 and 2 of Annex A of the MFA.

Hence, unless there are unforeseen circumstances to the contrary, the Government of the United States of America would not envision requesting consultations with the Government of the People's Republic of China on a category not already subject to a Specific Limit before imports from China in the category of categories concerned have reached the levels already established by comparable, important, capable suppliers. By this, it is meant that the Government of the United States would use the consultation clause sparingly and would not request the Government of the People's Republic of China to limit its exports in the category or categories concerned without having full regard both to the equitable treatment of the Government of the People's Republic of China as compared with other such suppliers of like textile and apparel products and, as appropriate, to the Government of the People's Republic of China's position as a new entrant to the United States' market, with respect to products not already subject to Specific Limits. Further, the Government of the United States of America will give full consideration to the factors indicated above.

It is also recognized that the established public policy of the Government of the United States of America is to provide as much opportunity as practicable for the growth and development of trade in textiles to all its bilateral agreement suppliers, consistent equally with the United States need to avoid disruption of its domestic market or the threat thereof. The Government of the People's Republic of China, therefore, has the assurances of the Government of the United States of America that resort to these consultation procedures shall be on a fair and equitable basis vis-a-vis other bilateral agreement suppliers, taking into account the position of the People's Republic of China as recognized above.

If recourse to the provisions of paragraph 8(c) would result in actual injury to production and marketing of textile products from China and/or would have actual impact on goods which have been or are about to be shipped, the Government of the United States will undertake to alleviate the adverse effects.

Sincerely,

H. REITER WEBB, Jr.,
Chief Negotiator for Textile Matters.

Mr. THURMOND. Mr. President, I thank the distinguished majority leader.

ORDER FOR THE RECORD TO REMAIN OPEN TODAY

Mr. BAKER. Mr. President, at the request of Senator THURMOND, I also ask unanimous consent that if the Senate should recess or adjourn prior to the hour of 6 p.m. today, that the record remain open for statements only by Members.

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

Mr. BAKER. Mr. President, I thank the minority leader for accommodating the time for these remarks and this action.

Mr. BYRD. Mr. President, the distinguished majority leader is very welcome.

ORDER TO PLACE H.R. 5297 ON THE CALENDAR

Mr. BAKER. Mr. President, I have one other matter which I believe has been cleared on both sides, a unani-

mous-consent request, which I will now state for the consideration of the minority leader and other Members.

Mr. President, I ask unanimous consent that the Commerce Committee be discharged from further consideration of H.R. 5297, the Civil Aeronautics Board Sunset Act of 1984, and it be placed on the calendar.

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

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. Under the standing order, the minority leader is recognized.

AFGHANISTAN FOOD AND MEDICAL ASSISTANCE AMENDMENT

Mr. BYRD. Mr. President, in 1980, following the Soviet invasion of Afghanistan, President Carter prohibited Soviet fishing vessels from exploiting American resources. The present administration has now lifted the prohibitions relating to sales of U.S. grain to the Soviets and the sale of oil and gas production equipment to the Soviets. And now Soviet vessels will be allowed to enter American waters to fish.

This is very inconsistent, I would say, with the inflammatory rhetoric which has become the hallmark of this administration's policies toward the Soviet Union. For their part, the Soviets are much more predictable in carrying out foreign policy.

Six days after the administration announced the end of the fishing sanction, the Soviets are engaged in a major assault against the Afghans.

The United Press International report of July 31 says, "Hundreds of tanks have launched a major offensive" in the Shomali Valley. The report quotes diplomatic sources as saying that there is "massive destruction" and that "whole villages were reduced to rubble."

On June 19, 1984, I introduced a sense of the Congress resolution to encourage support throughout the free world for increased food and medical assistance for the people of Afghanistan. A report by the British Afghan Aid Committee released at that time indicated that Afghan civilians were suffering from terrible malnutrition because of the Soviet's "scorched earth" policy.

The Senate unanimously adopted that resolution. I sent a letter to Secretary of State Shultz on July 10, encouraging him to look into the problem.

The Soviets may have been emboldened by the decision to lift the sanctions on fishing.

Mr. President, now that we have assured ourselves that the Soviets will have enough to eat, I hope that there will be a heightened commitment on the part of this Nation and other free nations, including Moslem nations, throughout the world to stand by the freedom-loving people of that war-torn land. The Afghans, too, need fish. They, too, need food. And they need medical supplies.

There is no more immediate challenge to democratic ideals than that presented by the Soviet occupation of Afghanistan. I hope that freedom-loving countries of the world will join in expressing outrage and profound concern at the mass murders and the genocide that are being committed by the Soviets against helpless men, women, and children in Afghanistan.

Mr. President, I hope the rest of the world will express its concern, and that it will be a heightened concern, and that the freedom-loving countries of the world—and certainly the Moslem countries of the world—will do what they can to supply the Afghan people with food so that the Soviets' "scorched-earth" policy will to that degree be thwarted.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a copy of my letter to Secretary Shultz dated July 10, 1984, and a UPI story dated July 31, 1984, which speaks of the Soviet drive into the Shomali Valley.

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

U.S. SENATE,
OFFICE OF THE DEMOCRATIC LEADER,
Washington, DC, July 10, 1984.

Hon. GEORGE P. SHULTZ,
Secretary of State, Department of State, Washington, DC.

DEAR MR. SECRETARY: On June 19, the Senate passed unanimously an amendment which I offered, expressing the sense of the Congress that the free world should provide the people of Afghanistan with essential food and medical supplies during the Soviet occupation of their country. I enclose a copy of that amendment and the supporting discussion.

Recent press reports indicate that brutal Soviet attacks on civilian crops and farmlands have created critical food shortfalls. At the same time, Soviet attacks on hospitals and restrictions on shipments of medical supplies have resulted in dangerous shortages in these goods. I have met with leading representatives of the Afghan resistance and they confirm that the threat to the survival of the civilian population and the freedom fighters is real and immediate. By all indications, a failure to act soon to address these shortages will result in famine and countless deaths this fall and winter.

Therefore, I am writing to request that the Department of State utilize the appropriate emergency authority to respond to the plight of the people of Afghanistan. In accordance with the amendment passed by the Senate, I urge the Department to work in concert with other interested nations and international organizations such as the World Food Program of the United Nations to assure that the men, women, and children of Afghanistan do not perish under the brutal Soviet occupation.

I am sure you agree that the Soviet occupation of Afghanistan represents as clear a challenge to the political will of freedom-loving nations as does any situation in the world today. I urge that every possible action be taken immediately to assure that the Afghan resistance is not lost due to a failure to supply basic human needs.

Sincerely,

ROBERT C. BYRD.

[From the New York Times, July 25, 1984]

THREE SOVIET DRIVES REPORTED IN AFGHANISTAN

(By Drew Middleton)

The Soviet Army and Air Force have mounted a new offensive against Afghan guerrillas in three sectors of Afghanistan, according to reports reaching the West from official sources in Pakistan and India.

The Soviet attacks, Western analysts said, began last week and are continuing. They said the attacks had been accompanied by heavy bombardment of villages supporting the Afghan guerrillas.

The most recent Soviet attacks have been in three areas; the Logar Valley south of Kabul, the Shomali Valley running north from the capital, and Herat Province, which lies in the extreme west bordering Iran. One of the Soviet Air Force's major bases is near Herat.

While the Logar Valley operation was under way, Western analysts said. Soviet artillery were reported to have shelled targets in the southern Shomali Valley, north of Kabul. The main highway runs north through this valley to the frontier. Here, too, analysts believe that the Soviet objective was to clear the valley of insurgents and their supporters. The shelling, according to reports reaching Pakistan, was extremely heavy and accurate.

SOVIET GROUND SWEEP

Insurgent bases and ammunition stores were the targets of a strong force of Soviet ground troops who swept into the west of Herat Province last week.

Soviet operations appear to be following a now familiar pattern, the Western analysts said. As in the Panjshir Valley campaign in April, May and June, the Russians are reportedly seeking to clear insurgents from regions that could be used as bases for attack against the major highway that connects their main bases.

This runs from Termez on the Amu Darya River, the frontier between the two countries, south, southwest and finally north passing through Kabul, Ghazni, Khandahar the Herat until it crosses the Soviet border about 50 miles north of Herat.

All the main Soviet strongholds are on or close to this highway and from a military standpoint, the analysts said, it is essential that traffic move freely if the Soviet forces are to have logistical support for their operations.

ATTACK IN LOGAR VALLEY

The attack in the Logar Valley, according to reports from Afghan sources in Islamabad, Pakistan, appears to have been prompted by the return of villagers who had been driven out by intense Soviet bombing last year. Their return re-established the villages as bases for guerrilla raids on the Soviet forces.

The offensive, Western analysts said, included drives by Soviet infantry, tanks and armored fighting vehicles into the valley from the south and north. These ground operations were said to have been accompa-

nied by heavy bombing of villages in the valley and the destruction by ground forces of food stores and wells.

These Soviet tactics, aimed at uprooting the rural population that generally supports the insurgents, are regarded by many Western analysts as the most serious threat to the rebels' future.

One British estimate is that just under one-third of Afghanistan's prewar population of about 15 million has been displaced. the majority of the refugees have fled to Pakistan and Iran, while the rest have left their fields for the mountains or for villages outside the combat zones.

DIFFERENCES IN LEADERSHIP

Meanwhile, reports of serious differences at the highest level of the Afghan Government, involving shooting in at least one incident, are also reaching Western capitals, Western intelligence sources said.

These reports, they said, may reflect the split within the Afghan Communist Party between the Khalq (Masses) faction of the party and the Parcham (Banner) faction. The latter, according to the intelligence sources, holds most of the important Government posts.

One report, which could not be confirmed, is that the Minister of Defense, Gen. Abdul Qader shot and wounded the Minister of Communications, Lieut. Col. Muhammad Aslam Watanjar.

The reasons for President Babrak Karmal's protracted stay in the Soviet Union are unclear. He is still in Russia two weeks after Tass, the official Soviet press agency, announced that he had arrived for "a brief visit."

He, like most of the higher officials, is a member of the Parcham faction. The majority of the army's officers belong to the Khalq faction.

[From UPI, July 31, 1984]

AFGHAN

(By Neal Robbins)

NEW DELHI.—Soviet and Afghan troops backed by warplanes and hundreds of tanks have launched a major offensive against rebels in the Shomali Valley that has reduced entire villages to rubble, Western diplomats said Tuesday.

The diplomats said Soviet and Afghan troops have met heavy resistance from Islamic rebels since the offensive in the strategic valley north of the Afghan capital began about three weeks ago.

They said the drive into the Shomali, through which runs a road connecting Soviet bases, coincided with new Soviet campaigns in the Panjshir Valley northwest of Kabul and the Logar Valley southeast of the capital.

The diplomats said Soviet warplanes and tanks pounded the towns of Guldara, Qarabagh and, Shakardara as well as smaller villages in the Shomali. There were no details of casualties, but destruction was described as widespread.

"An eyewitness said he saw hundreds of tanks and armored personnel carriers, the largest assembly of such weapons he had seen since the war began" with the Soviet invasion of 1979, one source said.

"He saw massive destruction throughout the Shomali, and sometimes whole villages were reduced to rubble by Soviet bombing," the source said. There were no details on casualties.

In Shakardara, a bomb exploded outside a home last Wednesday, killing 12 members of a family when a wall collapsed, the diplomats reported.

They said rebels put up heavy resistance, shooting down a MIG warplane and a helicopter.

The Soviets are believed to be trying to remove insurgents from areas where attacks could be mounted on a major highway connecting Soviet bases, a Western analyst said.

The offensive follows a major offensive in the Panjshir last spring that left Soviet forces in control of most of the valley, which opens onto the Shomali and the highway running through it from Kabul to the Soviet border.

On July 17, a large force of Soviet and Afghan Government troops battled rebels at the upper end of the valley near the town of Khenj, a source said.

In the Logar Valley, southeast of Kabul, Afghan forces backed by Soviet air support launched a two-pronged attack to open the road from Kabul to the nearby city of Gardez, the sources said.

The drive appeared to be aimed at opening supply routes to beleaguered outposts, they said.

Afghan rebels are fighting to expel the estimated 105,000 Soviet troops occupying the country and oust the Soviet-backed Communist Government.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, I thank the minority leader.

"STAR WARS" CANNOT STOP CRUISE MISSILES, BOMBERS AND SUBMARINES NUCLEAR ATTACKS—THE SOVIETS COULD EVADE IT

Mr. PROXMIRE. Mr. President, this is the seventh and last response I shall make to Gen. Daniel Graham's letter to me in defense of "star wars." General Graham has set forth arguments he has selected opposing "star wars." He then replies in more detail in support of the antimissile system. I strongly disagree with General Graham and "star wars." So Mr. President, let me state the general's seventh and last argument in support of the antimissile system at this point:

7. IT WON'T STOP OTHER KINDS OF ATTACK

Answer. True enough. High Frontier cannot defend against bombers, cruise missiles, close-in submarines firing at short range or weapons in suitcases. But the Soviets will not attempt a first strike with such weapons. It takes too long to carry out and there would be no chance of a crippling blow to our retaliatory systems.

High Frontier is designed to cope with the current and real threat of deliberate or accidental strike by the most dangerous of nuclear weapons, the long-range ballistic missile. Further, it provides a means of survival should deterrence somehow fail—not a means to escape all damage, but a far more reasonable choice than mere vengeance for the death of our nation and people, which is the essence of the situation today.

Mr. President, General Graham has saved the most serious weakness of the "star wars" for his final response. The general agrees that this immensely expensive antimissile program will do nothing to stop nuclear attacks on our country from "bombers, cruise missiles, close-in submarines firing at close range, or weapons in suitcases." So what will be the Soviet Union's reaction to the United States production and deployment of "star wars"? Simple. They have an easy option. They can stick with their land-based ICBM's, but beef them up by a factor of 5 or 10, whatever it takes to overwhelm our antinuclear missiles. Or they can concentrate on building and deploying cruise missiles, bombers, and submarines or terrorists carrying suitcases as a handy supplement. Or, of course, they can and probably would do both. None of this would take any advance in technology beyond today's capability.

The "star wars" defense could not develop any foreseeable technological breakthrough to stop any of these modes of offensive nuclear attack and General Graham admits that. Let's consider them in order.

Why would "star wars" be helpless against a nuclear attack by cruise missiles? Cruise missiles, in the first place, are extraordinarily small, only about 20 feet in length. Most important, the cruises hug the ground. With a map in their "brain," they can be programmed to fly over, around or into cities. They evade radar. How could a defensive antimissile net catch, let alone destroy, them? It could not. General Graham admits as much.

How about range? Could they reach all significant targets in the United States? Absolutely. They already have a range of 1,500 miles or more and the range is being constantly extended. They can be fired from directly off our coast from submarines or from bombers or even from such innocent appearing vessels as fishing boats. They could not only reach New York, Boston, Washington, Los Angeles, San Francisco, New Orleans, they could hone in on Chicago and Pittsburgh, St. Louis and Kansas City, Denver and Omaha. They could hit every military target in United States.

It is true that presently, cruise missiles are kiloton instead of megaton weapon systems. But cruise missiles can carry up to a 250-kiloton payload. That means they already have a nuclear payload more than 10 times the size of the A-bomb that wiped out Nagasaki and the A-bomb that wiped out Hiroshima. That is how powerful they are. Even without any technology improvement, cruise missiles can be produced, deployed, and launched in a volume that would provide the same aggregate megaton payload as intercontinental ballistic missiles.

As General Graham concedes, submarines and bombers could be used as

platforms for much larger nuclear weapons by the Soviets with total effectiveness against the most elaborate kind of "star wars" defense. And "star wars" would do nothing against a final, mopup attack by the Soviet Union against any American targets that remained using terrorists as he puts it, with suitcases. A "star wars" defense would neither lessen the severity of a Russian nuclear attack significantly nor delay it.

"Star wars" at best could only change the nature and direction of the attack. So to answer each of the arguments that General Graham makes in summary, "star wars," would constitute a trillion dollar failure—talk about deficits—for the following reasons:

First, in all likelihood it will not work.

Second, it would certainly be enormously expensive.

When I say a trillion dollars, I mean just that. If you carefully examine all the data, the Defense Department now is guessing at something like half a trillion dollars. When they guess at half a trillion dollars, you know it is going to be at least twice as expensive in the long run, based on their previous record.

Third, it would carry the nuclear arms race into space. And it would not only create a new immensely expensive arms race in defensive missiles; it would also sharply aggravate the offensive, nuclear arms race to overcome the defensive systems.

Fourth, it is certainly provocative and destabilizing because it could threaten the nuclear stalemate, the balance of nuclear forces, that has kept peace between the superpowers for more than 30 years, by pushing both superpowers off on an unpredictable, highly dangerous course.

Fifth, it would virtually destroy arms control. The Anti-Ballistic-Missile Treaty would instantly become a dead letter, if we deployed "star wars." Satellites which represent the eyes and ears of arms control would become vulnerable at any moment the new technology wished to take them out. The complex new defensive arms race and the certain-to-be-stepped-up offensive missile race which "star wars" would provoke would make arms control verification exceedingly difficult if not impossible.

Sixth, a "star wars" defense would be conspicuously vulnerable to an adversary that simply produced enough offensive missiles to blow it away, as well as to technological advances in offensive missiles that could frustrate it. Since nuclear weapons production of immense megatonnage is far and away the cheapest kind of military power per pound of destruction, we can be sure the Soviets would develop whatever offensive nuclear capability they needed to defeat "star wars."

Seventh, "star wars" provides absolutely no defense—as General Graham, its most vigorous advocate, stipulates—to ground-hugging cruise missiles, to submarines, to bombers, or to a terrorist with a suitcase. So we would have to erect this immensely costly "star wars" defense with the full knowledge that the Soviets could not only overcome it by increasing the numbers of their offensive ICBM's, but could completely evade it by relying on cruise missiles, bombers, and submarines.

The uselessness of "star wars" should teach us that there is no substitute for arms control negotiations leading to a mutual, verifiable nuclear freeze, followed by negotiated joint reductions of nuclear weapons on both sides. It also teaches us that, in the meantime, we have no recourse except to rely on deterrence—grim but practical—that has kept the peace for more than 30 years.

THE TIBETAN PROBLEM

Mr. PROXMIRE. Mr. President, in the past 25 years, the world has heard little of the people of Tibet. When the Chinese imposed a military dictatorship on the Tibetans in 1959, they restricted communications, and Chinese propaganda became the primary source of information on Tibet.

Over the years, however, the outside world obtained bits of information suggesting that the Chinese Communist regime suppresses Tibetan culture and religion. On June 23, the New York Times printed an essay by John F. Avedon on the current situation in Tibet, revealing the possibility that Tibetans are suffering at the hands of the Chinese. New evidence from Tibetan refugees in India indicates that Tibetans may have been subject to forced labor, starvation, and imprisonment. The reports estimate that 1.2 million Tibetan deaths have resulted from these policies.

The new evidence also suggests that there have been deliberate attempts to destroy Tibetan culture. Over 6,000 monasteries have been demolished, and artifacts have been ruined or sold. These acts are especially upsetting because Tibet has been at the heart of Buddhist art, literature, and religious study for milleniums.

The number of major uprisings in the past 25 years suggests that many Tibetans are strongly opposed to the imposition of Chinese military rule. When the Tibetan leader, the Dalai Lama, was forced to flee in 1959, as many as 100,000 Tibetans followed him and settled in India, Nepal, Bhutan, and Sikkim. These refugees have managed to retain their national identity, and they have become a symbol of freedom to the Tibetans controlled by the Chinese military. The Chinese Government has had to keep a tremendous troop force in Tibet in order to maintain dictatorial control.

Because the alleged cruel policies have resulted in a horrifying number of deaths, Mr. Avedon called the situation a holocaust.

Mr. President, the reports of human suffering in Tibet are unconfirmed. But if it is true that the military regime in Tibet is ruling in a violent, oppressive fashion that is destroying an entire culture, then the world community should act to save the Tibetans.

To do this, it needs the Genocide Treaty. The Genocide Treaty makes the intentional destruction of a racial, ethnic, religious, or national group a crime under international law. The United States has yet to join the 92 other nations who have already ratified this human rights treaty.

We do not know the extent of the cruelty of the military government in Tibet. We do not know if there is genocide taking place in Tibet. But we do know that the United States must ratify the Genocide Convention. That means the U.S. Senate, this body. Presidents, both Republican and Democratic, have consistently pleaded with this body to ratify the convention. We have refused to do it.

As I have pointed out many times, the overwhelming proportion of organizations in this country that have studied the Genocide Treaty have asked us to ratify it. The American Bar Association, which opposed the treaty for some years, is now satisfied that it is in our national interest and enthusiastically endorses and supports it. Every religious organization, Protestant, Catholic, Jewish, all of them endorse the Genocide Treaty. All of the fraternal organizations which have acted on this treaty have endorsed it. It is only opposed by the John Birch Society, the Ku Klux Klan, and a few of the far-out organizations that every Senator I know repudiates at every opportunity we get to repudiate them.

Ratification of the Genocide Convention would show our disapproval of any inhumane policies that threaten a people's survival.

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

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

CHINA'S TIBET PROBLEM

(By John F. Avedon)

Thirty-four years after its invasion of Tibet, China remains in a quandary on the roof of the world. After seven years of secret negotiations with the Dalai Lama, Tibet's exiled ruler, the difficult issue of Tibetan independence remains unresolved. The talks are stalled, but underneath their stated positions both sides seem interested in working out a deal—for more or less

freely administered automomy. The burden is not on China—to recognize the full extent of Tibetans' nationalism and need for sovereignty and to take steps to advance the negotiations.

For more than 20 years, Chinese propaganda has portrayed Tibet as "the darkest feudal serfdom in the world." In fact, nothing could be further from the truth. Though Tibet's economy was undeveloped and its social system stratified, its ancient civilization stood out as one of the most impressive in the world history. A nation the size of Western Europe, in which one-quarter of the male population was monks, Tibet alone possessed the entire body of Buddhist literature and liturgy. Its state-run medical colleges taught the 2,500-year-old science of Buddhist medicine, and its 6,000 monasteries had, for more than a millennium, been centers of scholarship and art.

The Chinese invaded in 1950. They conquered the country easily, although they allowed the Dalai Lama to rule as a figurehead. In 1959, a popular revolt against Communist economic and cultural reforms spread to the capital, forcing him to flee, followed by 100,000 refugees. Since then, Peking has ruled Tibet directly—and little news about the country, apart from Chinese propaganda, has reached the outside world.

Now, evidence obtained by Tibetan refugees living in India has provided the first glimpse of what can only be called a holocause. Forced labor, imprisonment and widespread starvation have caused the deaths of an estimated 1.2 million Tibetans—one-seventh of the population. A total of 6,254 monasteries have been gutted, their priceless art treasures either melted into bullion or sold for foreign exchange. The buildings were razed by field artillery and dynamite: Their ruins now pock the dramatic landscape—a constant reminder of the terror of the last 25 years.

By China's own admission, Tibet is the poorest region in the People's Republic. What Peking does not speak about is the sustained unrest of the Tibetan people and the continued need for stringent military control. Since 1959, there have been at least 50 major uprisings. There are more than 100,000 political prisoners. Amdo, Tibet's northeastern province, is home to the largest gulag in China—or anywhere in the world. It houses some 10 million prisoners—most of them Chinese. Peking maintains a half-million troops in central Tibet—one soldier for every 12 Tibetans. Tibet remains in an explosive state: In the latest round of arrests, last autumn, 3,000 dissidents were interred and 35 publicly executed.

Peking knows that it cannot bring stability to Tibet unless it is able to convince the Dalai Lama to return. He and 100,000 refugees have constituted a democratic government in exile based in Dharamsala, India. They have recreated a self-sustaining society that preserves Tibetan culture and functions as a living refutation of China's claims. The six million people remaining in Tibet look to them as the sole hope for Tibetan freedom. The Chinese have sought unsuccessfully to persuade him to come home since 1977: They hope he will preside over an apparently legitimate government under their control. He has shown no interest in returning under those conditions but continues to talk to Peking and has offered to visit in 1985—a visit the Chinese had hoped to use to strengthen their position among Tibetans and justify it to the rest of the world.

Yet throughout the negotiations, China has behaved in a duplicitous and ultimately self-defeating manner. It continues to promise widespread liberalization and a measure of self-government. Nonetheless, Peking has increased its troop strength in Tibet and drastically tightened public security.

Compromise is possible. The Tibetan government in exile has not admitted that it would accept anything less than complete independence. China maintains that Tibet is an inseparable part of the People's Republic. Yet in fact both sides recognize that they will probably have to settle for some form of partial autonomy.

In order to reach a compromise, Peking must admit that its claims to Tibet are unfounded and unrealistic. China can never hope to amend the inestimable tragedy of having destroyed a 2,100-year-old culture in a mere 25 years. It should, however, be able to find the courage to permit a new Tibet to rebuild itself from the ruins of the old.

Mr. BYRD. Mr. President, will the distinguished Senator from Wisconsin yield?

Mr. PROXMIRE. I am happy to yield to my good friend, the minority leader.

Mr. BYRD. Has the distinguished Senator seen the news reports of the expanded Soviet assault on helpless men, women and children and defenseless villages in Afghanistan during the past few days?

Mr. PROXMIRE. Yes, indeed. May I say that I absolutely deplore that kind of action by the Soviet Union. I think it may well constitute a planned, premeditated effort to extinguish the Afghanistan people, in which case it would be an act of genocide.

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

What reaction does the Senator have to the restoration of fishing "rights" to the Soviets just off our east and west coasts? Just a few days ago, the Reagan administration removed the fishing restriction which had been placed by the Carter administration on the Soviets as a result of their invasion of Afghanistan. We hear all this hot bombast downtown about the Soviets. Perhaps the extent to which this administration went in its hot rhetoric against the Soviets in the arms control context now causes the administration to feel that it has to show a conciliatory mood by backing away from the restrictions that were placed on the Soviets by Mr. Carter—restrictions which hurt.

In the case of the grain embargo, the late President Brezhnev spoke about the weakness and the ineffectiveness of the Soviet agricultural policies. He said that before the world. The Carter administration imposed a grain embargo when the Soviets invaded Afghanistan. Then we turned around under this administration and lifted the grain embargo.

Second, this administration had beaten our European allies over the head because they wanted to enter into deals with the Soviet Union for the sale of oil and gas equipment. Then we turned around and lifted our own restrictions on such equipment after telling our allies that they ought to "hang tough," and then we did not "hang tough."

Now we are going to feed the Soviets by restoration of Soviet "rights" to fish off the east and west coasts of our country. Meanwhile, the Afghans are going to continue to starve as a result of the Soviet-scorched Earth policy; Afghans are going to bleed and die while the Soviets are going to have more to eat as a result of our conciliatory move.

I wonder if the Senator has any thoughts with respect to the hot rhetorics having gone so far as to drive the Soviets into a mood which is certainly not a placative mood toward the United States; the Soviets continue to resist entrance into arms talks, but now in an election year the administration at least is perceived to want the Soviets to come back and enter into arms negotiations. Of course, the Soviets are not to be excused, because they have used hot rhetoric as well. But in order to get them back now, the Reagan administration offers them another concession. This administration withdrew the grain embargo without even asking for a quid pro quo; then made the concession on the oil and gas equipment and technology without even asking for a quid pro quo; and now restores their so-called "rights" to fish in American waters off both coasts in an effort to placate them and bring them back into the arms control talks.

Mr. PROXMIRE. If the distinguished leader will yield, I could not agree with him more.

May I say to my good friend, as he may know, I vigorously opposed renouncing our previous but wise position on the grain embargo; it made sense. It is the one kind of forceful and effective action we could take. Sure, it is unpopular with the farmers, but it is the right kind of action. We are not going to go to war with the Soviet Union or nuke the Soviet Union. But this is the kind of economic action they understand. They have a pitifully incompetent agricultural system in the Soviet Union. Of course, their military moves on its stomach, so we were supplying the food in effect that kept their military effective in Afghanistan.

Now, in addition to that, the Senator is right about the oil and gas line in Western Europe. That was enormously helpful to the Soviet Union. There is no reason why we should help them economically. We are not going to use military actions because it could incinerate the world, but we can use economic action; it would be effective. The Senator has made a very, very good case that what we are doing is exactly the opposite of what Theodore Roosevelt advised us to do in foreign

policy—speak softly—we are not speaking softly—and carry a big stick. We are not carrying any stick at all. I think the Senator's advice is correct.

I just received a letter in response to a letter I wrote to former Secretary of State Rusk asking his views on our relationship with the Soviet Union. He took the same position that the distinguished leader has taken. I am going to put his letter in the RECORD on a subsequent day. But he pointed out that dealing with the Soviet Union is enormously difficult. Whether we are dealing with the Soviet Union or any other country, we do not make any progress by insulting them. On the other hand, we can take a tough, hard action which they will understand, and this is what we have not done. Fishing rights is a good example. The grain embargo is another. The oil and gas situation is yet another. The Senator is absolutely correct. It is an indication the administration is following, in my judgment, the reverse of the kind of policy they should follow.

Mr. BYRD. I thank the distinguished Senator from Wisconsin.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business, not to extend beyond 12 noon, with statements limited to 5 minutes each.

WISCONSIN'S 10 MOST ADMIRED SENIOR CITIZENS

Mr. KASTEN. Mr. President, I rise today to give recognition to 10 outstanding individuals from my home State of Wisconsin who are an inspiration to all of us.

These individuals were recently chosen from among 100 across Wisconsin to receive the honor of being named, "Wisconsin's 10 Most Admired Senior Citizens."

All of these individuals have been active, involved members of their communities who have given of their time and efforts to help others. Their records of service are exemplary, and all have earned this honor for truly outstanding work.

They are community leaders, volunteers, educators, public servants, and business men and women. They are also, shining examples of involved and caring Americans who haven't let age become a barrier.

This Friday, these individuals will be honored at the Wisconsin State Fair in Milwaukee, and at this time I would like to enter into the RECORD their names and a brief description of their backgrounds, as provided by the Milwaukee Sentinel.

Henry Bannach, 82, of Antigo. He has been a School Board member, and has been active in the local Rotary Club. He has also served as president of Langlade Memorial Hospital.

Kenneth F. Bick, 80, of Janesville. He has been an active member of the Rotary Club and has been named a Paul Harris Fellow, the highest Rotarian honor. Mr. Bick is a member of the board of directors of the Rock County Chapter of the American Red Cross and is chairman of the Retired Teachers Breakfast Club.

Floyce Knoke, 78, of Lancaster, reads aloud to groups at the Lancaster Nursing Home, leads planned meetings for elderly activities and has been a volunteer driver in a local escort program. Ms. Knoke continues to tutor children during the summer months and is active in local children's organizations. She is active in the Grant County Commission on Aging, the Lancaster Council of Churches, and the Grant County Republican Women.

Thomas A. Leonard, 87, of Middleton, is active in medical, artistic, literary, and philanthropic activities, despite becoming almost completely blind 10 years ago. Mr. Leonard is currently emeritus professor for health sciences at the University of Wisconsin-Madison. He also is a member of the Research Review Board and the long-range planning committee at Madison General Hospital.

Alma Therese Link, 81, of Oshkosh. Ms. Link has worked on behalf of senior citizens and education. She was president of the Winnebago County Retired Teachers Association in 1975 and 1976. She also helped found the Oshkosh Senior Center and in 1979 was appointed by the Oshkosh Committee Council to the Oshkosh Committee on Aging, of which she is now president.

Laurence A. Raymer, 75, of Beloit. Mr. Raymer is vice chairman of the Beloit Senior Commission, which operates the Grinnell Senior Center. He also is vice president of the Beloit Historical Society and a director of the Greater Beloit Association of Commerce.

Lorriane Schreck, 62, of Menomonee Falls, is a volunteer director of Citizens Outreach Services of Waukesha County. Mr. Schreck is also a member of the Wisconsin Congress on Aging and is a certified consumer counselor.

Robert W. Teeples, 65, of Black River Falls, works in his community through the American Legion, Veterans of Foreign Wars, Disabled American Veterans, National Order of Battlefield Commissions, Alamo Scouts Association, both the Jackson County and State Historical Societies, and the Masonic Lodge.

Gerdine Turner, 73, of Madison. She is blind and lost both of her legs after an illness in 1980, but remains active in many organizations, including the Harmony Chapter No.3, the Order of the Eastern Star, and the Col. Charles Young unit No. 389 of the American Legion Auxiliary. She also is active in the YMCA.

Louis M. Zadra, 74, of Niagara, helped create the Niagara Senior Citizens Club and is a member of the Marinette County Commission on Aging. He is a volunteer in the Nursing Home Ombudsman program and the Lake Michigan Area Agency on Aging.

HEARINGS ON BOILERMAKERS AND OPERATING ENGINEERS

Mr. HATCH. Mr. President, the Labor and Human Resources Committee, over the last 2 years, has conducted 10 days of hearings into allegations of misconduct by certain officials of the International Brotherhood of Boilermakers, Ironshipbuilders, Blacksmiths, Forgers and Helpers, and the International Union of Operating Engineers.

These hearings were conducted pursuant to the committee's authority and responsibility to investigate matters within its jurisdiction, which includes the conduct of employee organizations.

In addition, the committee acted pursuant to a resolution which it adopted on November 15, 1983, setting forth the procedure for obtaining relevant documents, for the scheduling of hearings, and for the issuance of reports by members.

On June 20, 1984, the committee concluded the hearings on the Boilermakers and the Operating Engineers. These hearings, of course, were not an end in themselves. They were intended to form the evidentiary basis for developing whatever legislative recommendations might be appropriate to promote proper conduct by union officials and pension trustees. Toward that end, and pursuant to the rules of the Senate and the committee and the committee's November 15 resolution, I directed my staff to prepare a summary of the testimony and the documentary material submitted for the RECORD. I have also asked that my staff include any legislative recommendations.

My staff has just submitted to me the summary report and recommendations. And I directed that it be included as part of the committee record of these hearings.

It is a highly informative report, one that merits the attention of all Senators, not just the members of the Labor Committee. For this reason, I felt that it was important to draw it to the attention of the full Senate. I would like to set out this report verbatim, except for the exhibits which are too voluminous for inclusion in the CONGRESSIONAL RECORD.

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

HEARINGS INTO ALLEGATIONS OF MISCONDUCT BY CERTAIN OFFICIALS OF THE INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRONSHIPBUILDERS, BLACKSMITHS, FORGERS AND HELPERS, AND THE INTERNATIONAL UNION OF OPERATING ENGINEERS

OVERVIEW

[Exhibits mentioned in text not reproducible for the RECORD.]

Despite the existing number of Federal labor laws regulating the conduct of union hiring halls and the seemingly sufficient number of Federal agencies charged with ensuring compliance with these Federal labor statutes and regulations, several local lodges of international construction unions have been allowed to engage in referral practices which are both discriminatory and unsafe. Unqualified workers have been routinely referred for work as skilled craftsmen, working qualification tests have been circumvented, and favoritism has been

rampant in choosing who will be referred for work. Since many of the construction sites invoved are at nuclear power plants, chemical plants and other industrial facilities, the potential safety hazard for co-workers and the general public cannot be underestimated. Consequently, both new legislation and an administrative recommitment to enforce existing statutory obligations is needed to ensure the safety, proficiency and durability of our nation's construction sites.

These are the conclusions of the majority of the Senate Committee on Labor and Human Resources following a two-year investigation of job referral practices by one major construction trade union—the International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers, and a one-year investigation of another—the International Union of Operating Engineers. Ten days of hearings on this subject, held between May 11, 1982, and June 20, 1984, have produced compelling evidence of the following major abuses:

(1) Business agents of local lodges of these unions routinely refer unqualified persons to the most dangerous field construction projects, including nuclear and conventional power and chemical plants. Poor performance, such as bad welding, has been the result.

(2) A business agent of one operating engineers local, local 406 in Lake Charles, Louisiana, referred inexperienced women to construction jobs at chemical plants in return for sexual favors.

(3) A broad pattern of corruption, including extortion, payroll padding, and job discrimination occurred in the Operating Engineers Lake Charles local between 1975 and recent months.

(4) A Committee staff review of referrals by Boilermakers Local 154 in Pittsburgh revealed that the local improperly referred 273 persons as journeymen to construction jobs between 1979 and 1982. Seven of these unqualified persons were referred as journeymen to the Beaver Valley Nuclear Power Plant in Shippingsport, Pennsylvania. A parallel study by the General Accounting Office [GAO] found that 51 percent of the GAO's sample were improperly referred and paid as journeymen over this same period.

(5) Job discrimination in these construction locals is widespread. Youthful relatives of the Pittsburgh business agent, though only recently qualified as journeymen, earned $40,000 to $49,000 a year, while veteran journeymen who were out of favor made $10,000 or less, and in one case, only $1,400. Referral of favored workers out of the sequence in which they signed the out-of-work list also was prevalent in Boilermaker and Operating Engineer locals in Cleveland and the Operating Engineer local in Lake Charles.

(6) Two members of the International Brotherhood of Painters and Allied Trades provided affidavits that they were referred to conventional power plants around Pittsburgh and paid journeyman's wages, in 1981 and 1982, even though they had no Boilermaker experience. Journeyman's pay at that time was as much as $15.18 an hour—some 30 percent more than apprentice or beginner's pay.

(7) Extensive testimony by rank-and-file Boilermakers revealed that cheating on welder qualification tests is widespread in that union. Six different welders testified that they had taken the welding test for unqualified persons under threat of losing their jobs. And five other welders and two welding inspectors testified that they saw others cheat on the test.

(8) The Nuclear Regulatory Commission [NRC], rather than seeking to correct these problems, sought improperly to discredit a Committee witness. Shortcomings of two reports issued by the NRC on this subject emerged under questioning from the Chairman during the course of the Committee hearings on the Boilermakers Union.

BACKGROUND

The Committee's inquiry into these matters began in April 1982, when several rank-and-file members of the National Transient Division of the Boilermakers Union asked the majority's investigative staff to look into a series of allegations of corrupt practices by union officials in Pittsburgh and South Carolina, including job discrimination, the referral of unqualified welders to nuclear and other construction sites and the danger to safety posed by this practice.

The request by these men and women led to seven days of hearings before the Committee on May 11 and 13, 1982; June 29, August 2, and October 25, 1983; and June 19 and 20, 1984. Members of Operating Engineers Local 406 in Lake Charles, La, and Local 18 in Cleveland, Ohio, contacted the majority staff about similar practices in their union, and hearings were held on February 28 and 29, and May 22, 1984.

This report was completed on July 23, 1984, and includes analysis of all materials submitted by Committee witnesses and other interested parties through July 19, one month after Boilermakers Union officials testified before the Committee. Following that hearing, witnesses for the International Brotherhood of Boilermakers and its Pittsburgh local were told that the record would be closed one month later. On July 13, 1984, David W. Elbaor, counsel for the International, wrote the Committee that the International would not be able to comply with the deadline because of problems involved in obtaining documents from third parties and from the Committee staff.

It should be noted that the allegations made by rank-and-file union members had been aired in a public hearing no less than 7 months, and in some instances, more than a year prior to the hearing on June 19, 1984. Despite this ample period for preparation, the International offered no documentation which specifically rebutted the allegations made by its members. Consequently, the staff, interested in completing the report expeditiously, and not wishing to be criticized by the International for unnecessarily delaying completion of its inquiry, chose to proceed with the preparation of the report, based on material submitted by July 19, 1984. All documents to be provided to Mr. Elbaor by the Committee staff were in fact provided on June 19, 1984.

BOILERMAKER INVESTIGATION

During the 2 years of Boilermaker hearings, 19 rank-and-file union members and two welding supervisors testified under oath and made the following allegations:

Referrals

First, several witnesses stated that various Boilermakers locals (primarily Locals 154 in Pittsburgh and 687 in Charleston, S.C.) routinely referred unqualified members for work, individuals who did not possess even the bare minimum level of competency in the trade and that these individuals were paid journeyman wages of 30 percent more than the beginner's wage to which they were entitled. Moreover, witnesses testified that unqualified welders, referred through Boilermaker locals, had worked at nuclear construction sites including the Three Mile Island Plant near Harrisburg, Pa., and the Beaver Valley Plant at Shippingport, Pa.

It was unclear it first how this allegation might be corroborated. According to collective bargaining agreements governing Local 154 in Pittsburgh, strict rules were established governing who could and could not be referred for work. Between 1976 and 1979, an individual could be placed on the out-of-work list for qualified construction boilermakers if he could establish that (1) he had four years in the trade, (2) he had successfully completed a federally approved apprenticeship program, or (3) he had passed a competency examination.

In 1979, this rule was tightened to read that an individual could be referred for work as a qualified construction Boilermaker only if he had 8,000 hours in the trade or had successfully completed a federally approved training program.

How much would such a person be paid? According to the International, as explained in a letter to the NLRB dated January 12, 1982, (see p. 10) individuals who had met the 8,000 hours standard would be paid the journeyman wage.

Thus, one way of determining the veracity of the first allegation was to ascertain whether members being paid a journeyman wage had satisfied the 8,000 hour requirement.

The Committee staff first turned to the International's pension trust records, which list all the hours worked by each union member in covered employment anywhere in the United States. While these documents could not prove conclusively whether an individual did or did not have 8,000 hours, they would provide a threshold for the Committee's inquiry.

According to these documents, 699 individuals either joined or transferred into Local 154 between 1976 and 1982. At the time of their affiliation with the union, 420 or 60 percent did not have either 8,000 hours or 4 years in the trade, depending on when they joined.

With regard to Local 687, the figure was 238 or 45 percent of the union membership as of March 1, 1983.

The list of 420 names was then matched with documents Local 154 had turned over to the National Labor Relations Board. This matching indicated that of the 273 for which there was sufficient data on which to draw a conclusion, all 273 were paid the journeyman's wage even though they did not possess 8,000 hours in the trade and had not completed an apprenticeship program.

On April 14, 1984, the list of 420 names was given to Local 154 so that they could submit to the Committee any documents they might have which would indicate whether these 420 individuals had acquired 8,000 hours in the trade by some other means than working in covered employment.

In discussions with the officials of Local Lodge 154, it was learned that in most instances when an individual joined or transferred into the lodge, he would bring to the union hall W-2 records or other personal proof of his work history. A decision would be made by the local's business agent at that point as to how the individual should be classified. Each individual was supposed to fill out a qualification sheet which indicated whether he had 8,000 hours or four years in the trade, depending upon the year he joined, and these qualification sheets were retained by the local.

Consequently, the local was asked and agreed to supply to the Committee informa-

tion indicating whether each individual on the list of 420 names was actually affiliated with Local Lodge 154, a copy of the individual's qualification sheet, and what classification this individual was given when referred out for work through Lodge 154. In late May 1984, these materials were delivered to the Committee.

According to these documents, 303 of the 420 individuals on the list signed a qualification sheet which stated that the member had either 8,000 hours or 4 years in the trade. Qualification sheets were not provided for 117 persons or 28 percent of the names on the list. The materials submitted to the Committee provided no other indication of whether these individuals did in fact have 8,000 hours or 4 years in the trade, whether they were classified as a journeyman or whether they were paid a journeyman's wage.

The staff review also indicated, however, that more than half of the qualification sheets were not signed until at least 6 months after the members became affiliated with Local Lodge 154. In fact, 48 percent of the classification sheets submitted to the Committee were signed more than a year after the individual became affiliated with the union.

Consequently, the documents received by the Committee did not rebut this initial allegation. Instead, the materials submitted by the union appeared to support testimony by union witnesses that unqualified Boilermakers were being referred for work and paid at the journeyman rate. During the hearings, three of the witnesses before the Committee—Charles Shirley, Glenn Bowser, and Francis Darrell Hall—stated that they personally had been referred for work and paid at the journeyman's wage rate, even though they did not have the requisite 8,000 hours in the trade and had not completed a training program.

Moreover, the General Accounting Office testified on June 20, 1984, that in a study of 85 individuals referred for work through Local 154, 43, or 51 percent, did not have the requisite 8,000 hours nor had they completed an apprenticeship program at the time they were referred as journeymen. The GAO report was based on NLRB records and tax information generated in a job discrimination proceeding against Local 154 in Pittsburgh; it was comprehensive with respect to the 85 workers examined. The GAO stated that it sought to do a broader sample of worker qualifications in Local 154, but that its efforts were thwarted by refusal of attorneys for both the International and Local 154 to turn over the necessary documentation in time for the June 19 and 20, 1984, hearings. (GAO statement is Exhibit 1.)[1]

The attorney for Local 154, Mr. Joseph Maurizi, was asked by Committee counsel on May 22, 1984, approximately one month prior to the hearing, to provide any additional documentation that might exist regarding the qualifications of the 273 workers. No additional documentation was provided.

At the hearing on June 19, 1984, Mr. Maurizi argued that individuals were qualified on the basis of their own ability displayed on the job. Under questioning, however, he admitted that the 8,000 hour standard adopted by Local 154, to be used to determine who could be referred for work as a qualified construction boilermaker, was waived by the Local Lodge on its own volition. The waiver was not addressed in the collective bargaining agreement in force during this period, nor was it explained in the International's submission to the National Labor Relations Board on January 12, 1983, which purported to explain how Local Lodge 154 interpreted the 8,000 hour standard.

The Committee did not receive pay records concerning the members of Local 687 and, as a result, was not able to complete a comparable study of that lodge. Nonetheless, the staff went ahead and examined the pension records for that local and learned that at the end of 1982, there were 300 Local 687 members who had less than 8,000 hours Boilermaker experience. The local's late president, Mr. Kenneth Horne, told the Committee staff prior to his death in August 1983 that qualification sheets were not maintained, and indeed one witness, Charles Shirley, stated that he was not even asked his qualifications when he bought his journeyman's book in Charleston from Mr. Horne despite his not having 8,000 hours. Of the 300 Charleston Boilermakers who had less than 8,000 hours at the end of 1982, 238 were classified as "mechanics" or journeymen, 18 as trainees, 21 as apprentices, and 23 with no classification at all. At the close of the June 19 hearing Committee Chairman Orrin G. Hatch asked Mr. Charles Jones, president of the International, to provide the Committee the pay records of Local 687 to determine whether any of the 238 unqualified "mechanics" were referred as journeymen and received journeyman's pay. The attorney for President Jones replied that he would attempt to locate the documents and supply them if they were still in existence; however, the staff had not received any notification regarding the disposition of these documents by the time this report was written.

Union misstatements

Throughout the discussion of the 8,000 hour requirement for journeyman status in the Boilermakers' Union, witnesses for the International and for Local 154 in Pittsburgh made numerous statements under oath that could be interpreted as intended to confuse and mislead the Committee regarding the significance of the 8,000 hour requirement.

The 8,000 hour requirement was adopted by the union and contractors in the mid-and late-1970s as a quality control device to guard against referral of unqualified persons to construction jobs. It appeared in the collective bargaining agreements governing referrals from Local 154 from 1979, through the present, and Local 687 from 1976 to present. (Exhibits 2 and 3)

An extensive explanation of the 8,000 hour standard was contained in a January 12, 1983, letter from Joseph W. Moreland, counsel for the International, to Joseph M. McDermott, field examiner for the National Labor Relations Board in Pittsburgh. (Exhibit 4) Mr. Moreland's letter came in response to Mr. McDermott's request for clarification of the requirement as it related to a case of two rank-and-file Boilermakers who had argued that they should be referred for work on the basis of ability even though they had not completed an apprentice program and did not have 8,000 hours of practical Boilermaker field construction experience. (Exhibit 5)

The Moreland letter made clear that the 8,000 hour standard adopted by the union was an absolute standard for journeyman referral and pay. It stated that the union agreed with employers that "a uniform standard requiring practical experience roughly equivalent to that acquired through a formal apprenticeship program, four to five years of full-time on-hands experience should be required of those who did not have the benefit of formal apprenticeship training. The 8,000 hours requirement for classification of a registrant as a journeyman Boilermaker was the amount of experience agreed upon in such negotiations."

Moreland went on to state that: "the 8,000 hour requirement is obviously intended to serve as an objective mechanism whereby both to avoid any inference of invidious discrimination and to assure contractors that they will receive the services of skilled, experienced construction boilermakers in accordance with the wage scale set forth" under the 1979 collective bargaining agreement between Local 154 in Pittsburgh and the Boilermaker Employers of the Western Pennsylvania area. The letter concluded that the 8,000 hour requirement for registration on the out-of-work list could not be characterized as "arbitrary." According to Moreland:

"This requirement for journeyman referral and compensation is not an abstract figure plucked from the air or accepted with nadiral disinterest in the desires of the membership. Bonafide collective bargaining has produced precisely that which the law seeks to promote: a peaceful accommodation of competing interest effected by the parties themselves."

Moreland said the 8,000 hour standard had been adopted by a "majority" of Boilermaker locals where "collective bargaining has resulted in an election to adopt referral standards conforming to the minimum standards."

Despite the clear and precise language of the Moreland letter, Boilermaker witnesses testified evasively regarding the application of the 8,000 hour requirement. In a sworn statement provided to the Committee on October 25, 1983, International President Charles Jones said, "There is no link between 8,000 hours and membership or any classification in this union as a mechanic or journeyman, and no contractor can be forced to hire a referral based on union membership." Neither the chairman nor any witness contested the Jones statement with respect to union membership, as there is provision under the Union's constitution for "Apprentice", "Helper", and "Trainee" memberships for persons with less than 8,000 hours. However, the Chairman and majority staff considered it a significantly misleading statement that 8,000 hours had nothing to do with the journeyman's classification. As the Chairman pointed out repeatedly on June 19, amid union disclaimers, the Moreland letter "speaks for itself" on that point: the 8,000 hours clearly was the standard for journeyman's classification and pay.

In addition, witnesses for the General Accounting Office and the Pennsylvania Crime Commission testified on June 20 that the employer witnesses they had interviewed in the course of investigations on referrals of

[1] Following the hearings, the GAO reviewed the Committee's documentation on referrals of unqualified Boilermakers. On July 23, it reported to the Committee that it agreed with the majority staff that 255, or 96 percent, of the 273 persons in the majority staff's study had been referred improperly. The 255 persons found to be unqualified by the GAO included all seven of the unqualified persons that the Committee staff determined were referred improperly as journeymen to the Beaver Valley Nuclear Power Plant in Shippingport, Pa. See p. 24.

unqualified persons uniformly believed that any person referred to them as a journeyman should have 8,000 hours. The Pennsylvania Crime Commission witness, Mr. Chris DuCree, director of the Commission's Pittsburgh office, testified that referring out workers as journeymen without 8,000 hours work experience or completion of an apprenticeship was "theft by deception" and "illegal under Pennsylvania statute." Since the opening of his investigation in September 1983, DuCree said that more than 50 interviews had been conducted of Local 154 and National Transient members in the Pittsburgh area and that almost all of those persons interviewed had received journeyman's wages even though they did not meet the criteria for journeymen.[2]

Mr. Jones, when confronted with the Moreland letter on June 19, 1984, argued that the 8,000 hour requirement was "simply for placement on the out-of-work list" and was a "first step in the screening and testing of workers." Both Mr. Jones and Mr. Elbaor argued that employer tests would weed out the unqualified workers. However neither witness squarely addressed the testimony raised by six rank-and-file Boilermakers before the Committee that they had cheated on the test. (See pp. 32-36.) Although such admissions had been made at every Boilermaker hearing except October 25, 1983, Mr. Jones failed to investigate those allegations. The union president also ignored a conclusion that seemed to follow from reading the Moreland letter: "That no person with less than 8,000 hours or completion of apprentice training should even be on the journeyman referral list in the first place or even referred for testing." Both Messrs. Jones and Elbaor argued that competent people with less than 8,000 hours could be assigned and paid as journeymen if the contractor so desired; however, neither witness focused on the unlikelihood that such determinations were made by contractors with regard to such a large number (273) of referrals of unqualified persons identified in the Committee staff's study on Local 154. The testimony of Messrs. Jones and Elbaor also ignored the question of whether employers associated with electric utility or government construction projects had the right to pay workers more than they are qualified to receive under binding collective bargaining agreements. The majority staff feels that contractors have no such right and that to do so is to overcharge the ratepaying public or taxpayer. Where an 8,000 hour rule is in effect, persons not meeting that standard should be referred and paid as apprentices, helpers or trainees, depending upon the local binding collective bargaining agreement.

Statements by Mr. Jones regarding the findings of the GAO report and other Federal investigations also appeared to be significantly misleading. GAO witnesses stated on June 19, 1984, that Jones had incorrectly testified on at least four portions of the GAO's "statement of facts," a document on which the GAO testimony was based. Mr. Jones also made the apparently erroneous statement on June 19 that Federal agencies had "thoroughly investigated" all the charges made before the Committee" and found them and their inferences to be false, fictitious, and untrue." Jones' statement ignored the fact that an investigation of the charges by the Federal Bureau of Investigation was still ongoing, that two Nuclear Regulatory Commission investigations had been discredited at Committee hearings (see pp. 27-30) and that the National Labor Relations Board had recommended a $5 million settlement against the union in a job discrimination case that also was still ongoing. In point of fact, no Federal investigation had ever found for the union, except for the NRC reports, which focused only on a small portion of the overall allegations and were ultimately discredited by the Chairman in the course of the hearings. (Justice Department letter regarding ongoing nature of Boilermaker investigation is Exhibit 7.)

In addition, Mr. Jones testified on June 19, 1984, that "under our 8,000 hour rule, both union and non-union persons who seek placement on the hiring hall's out-of-work list from which job referrals are made are required to produce documentary or other evidence of 8,000 hours actual, practical working experience in Boilermaker-type field construction." When informed that Local 154 was unable to vouch for the qualifications of 273 of the persons it referred erroneously as journeymen between 1979 and 1982, Jones said the verification "is the warranty of the individual who makes them" and that it would be "somewhat difficult and quite expensive to go into a program of verifying each and every statement made in one of these representations."

Again, in contrast to Mr. Jones' statements, five Boilermaker employers told the majority staff in telephone interviews prior to the hearing that the unions made the determination as to who was a journeyman and that the employers generally tested only those persons referred as welders. Employer statements were as follows: Robert K. Dorman, Director of Construction for Wheelabrator-Frye, Inc. in Pittsburgh stated that "the employer calls the hall and asks for x number of journeymen. The union in turn answers the request by referring the number of journeymen requested. The only type of test conducted that would determine his/her qualifications would be a welding-certification test. Essentially you take the union's word that they are sending you what you ask for—there's a certain amount of trust involved."

Paul Heard, Equal Employment Coordinator for Universal Corp., in Baton Rouge, Louisiana, said:

"If we call the hall and ask for x number of qualified journeymen, then we assume the union will answer that request by providing us with such. If we find that they do not perform satisfactorily, then we will lay them off the job. In a sense it is blind trust that the hall will send us qualified individuals."

Jim R. Cleveland, President of Cleveland Consolidated Inc. in Atlanta, Georgia, stated that his company generally takes the union's word that those referred by them are qualified to perform the work. He, like Heard, said that a certain amount of trust was involved.

Bob Sheehan, Director of Human Resources for Schneider Enterprises, Inc., of Pittsburgh, one of the contractors at the Beaver Valley Nuclear Plant, said that his company, too, only tested welders. Asked how he knows how to distinguish between apprentices and journeyman non-welders, Sheehan replied, "The union provides us with that information."

Dean Freeman, manager, Field Labor Relations for Pittsburgh Des Moines Steel Co., stated that if he, as the employer, were to make a request of x number of journeymen Boilermakers then he would expect the union to fulfill that request and supply the needed qualified journeymen. He also said that in the past it could be possible for the union to have sent less than the number of qualified journeymen asked for and said they were qualified. In other words, they could have been paying journeymen wages to helpers and apprentices. Asked if it could easily be detected, whether a worker was qualified to receive the journeyman's wage, he stated that in some cases it would be very difficult, especially if it was a job of short duration.

"Mechanics" versus journeymen

Further confusion was caused at the hearings by denials on the part of Mr. Jones and Mr. Elbaor that the "mechanic" designation on union cards sold to various witnesses who had less than 8,000 hours and had failed to complete an apprentice program had anything to do with journeyman status in the union. "The 8,000 hour requirement has nothing to do with the mechanic's card," said Mr. Elbaor at the June 19, 1984, hearing. However, three witnesses who did not meet the union's qualification standards for journeyman status—Charles Shirley, Francis D. Hall, and Glenn Bowser—said the "mechanics" books that they purchased allowed them to be referred and paid as journeymen. Finally, the GAO's testimony left no doubt that the terms "mechanic" and "journeyman" were used interchangeably in the Boilermakers Union. "A 'mechanic' as used in the Boilermaker trade is a journeyman," said Franklin A. Curtis, Associate Director of the GAO's Human Resources Division, at the June 20, 1984, hearing.

Maurizi testimony

Another significant statement that could be interpreted as intended to confuse the Committee was the August 2, 1983, testimony by Mr. Joseph Maurizi, counsel for Local 154 in Pittsburgh, that the 8,000 hour requirement was not adopted by Local 154 until October 1, 1982. (August 2, 1983, hearign record, p. 308) In fact, the Joint Referral Committee of Local 154, made up of union and contractor representatives, first adopted the requirement on February 9, 1979, and it was incorporated into the Collective Bargaining Agreement that went into force on June 1, 1979. This information was first made available to the Committee staff in May 1984, as an attachment to the January 12, 1983, Moreland letter to the NLRB. (See Exhibit 4.)

At the time of Mr. Maurizi's 1983 testimony, the Committee staff had no way of knowing that the 8,000 hour requirement really had been put in effect in 1979—not 1982—and that the 273 persons had been improperly referred while the requirement was in effect over those three years. Confronted by the Moreland letter at the June 19, 1982, hearing, Maurizi said that he meant the requirement had not been "implemented" or enforced prior to October 1, 1982.

By failing to disclose the existence of the 8,000 hour requirement, whether "implemented" or not, between the years of 1979 and 1982, Mr. Maurizi's testimony by itself, would mislead the Committee on a significant issue. A close reading of his August 2, 1983, testimony can only leave the impres-

[2] A recent memorandum from the International Brotherhood of Boilermakers argues that potential state criminal prosecution of union officials for illegal referral practices would be preempted under the National Labor Relations Act. Such an argument, which may well be accurate, simply emphasizes the need to amend existing federal labor statutes. (Exhibit 6.)

sion that the 8,000 hour requirement did not exist in any form prior to October 1, 1982. Had it not existed, there could be no finding that 273 persons were referred improperly between 1979 and 1982. Under questioning Mr. Maurizi conceded that the local union had agreed to a collective bargaining agreement containing this requirement at the insistence of the International but that the local had chosen not to enforce it.

Uneven application of rule

Despite statements by Messrs. Jones and Elbaor that fast learners without 8,000 hours experience should get journeyman referrals, evidence emerged at the hearings that some union locals used the 8,000 hour rule against union dissidents who considered themselves qualified for journeyman work but did not possess 8,000 hours in the trade or completion of an apprentice training program.

For instance, Francis Darrell Hall, a member of a group seeking to reform Local 154's hiring practices, testified that he was unable to obtain referrals out of Local 154 because he did not have 8,000 hours Boilermaker field experience. He did, however, have 29 years experience as a welder for the Pullman Standard Company. During the same time frame that the local was denying Hall work, it was routinely referring individuals who did not possess 8,000 hours or apprentice training to construction jobs at journeyman's pay.

Another welder, Theordore Hull, a dissident member of Local 744 in Cleveland, Ohio, testified that he was not referred despite 20,000 hours total Boilermaker experience because about 14,000 of those hours were in a Boilermaker "shop" instead of "field" local. At the same time, he said, numerous friends and relatives of Local 744 officials were getting referred as journeymen, without having 8,000 hours of apprentice training.

A third rank-and-file witness, Charles Shirley, a 7-year veteran Boilermaker with previous experience as a millright welder, told the Committee that he could no longer get referrals out of Local 154 because he was 40 hours short of having his 8,000 hours. Shirley called his predicament a "Catch 22" situation. He held a fully qualified union journeyman book but could not get the 40 hours necessary to complete his 8,000 hours and thus get on the journeyman referral list. Nor could he get the local to credit his previous service as a millright welder.

Such uneven applications of the 8,000 rule are egregious and should not be permitted by the union. In the staff's opinion, exceptions should be made for comparable experience such as that of Hall, Hull and Shirley. However, a competent young Boilermaker should have to complete an apprentice or trainee program in the time-honored guild tradition of the construction unions, before he can be referred as a journeyman and get journeyman's pay.

Favoritism

Numerous witnesses also testified at the hearings that they were discriminated against by business agents who referred friends or relatives out of sequence on the local's out-of-work list.

Cleveland Boilermaker Theodore Hull, by now relegated to a "C" list for referrals of members in a sub-journeyman classification, testified on June 20, 1984, that he was incurring the same discrimination on the "C" list that he had experienced on the "A" list. The "A" list included numerous relatives and friends of union officials who had been placed on the list despite their lack of qualifications. Mr. Hull said that on June 7, 1984, he was told by Local 744 officials that 9 persons were ahead of him on the "C" list, but he subsequently learned that 10 persons had been referred in front of him by the time of his testimony before the Committee some 13 days later. Hull said he had asked for his place on the list "many times" over the last 6 years, but that June 7, 1984, was the first time he had ever been told. He said he never had been allowed to examine the local's out-of-work book over this period.

Another Local 744 witness at the June 19, 1984, hearing, Joe Danko of Newell, West Va., said he had been "bypassed many times" on the Local 744 out-of-work list. "I'm not held in too high esteem there for the simple reason that if something is wrong, I make it a point to make sure that it's known." Mr. Danko also alluded to the discriminatory nature of the different types of referral lists kept by the local. "They have three referral lists," he said. "They have the A list, the B list, and the C list, and which list you're on depends on how much esteem you're in."

A pattern of discrimination clearly had developed in Pittsburgh Local 154 between 1979 and 1982, when relatives and friends of the late business agent, Fred Gualtieri, were earning 5 to 10 times what Mr. Gualtieri's critics were earning, although all were qualified journeymen who were entitled to equal treatment on the local's out-of-work list. For instance, in 1980, Wayne Boring, a witness before the Committee in 1982, earned $8,127, while Gregory P. Gualtieri, nephew of the late business agent Fred Gualtieri, made $49,171. In 1980, Anthony Asolone made $5,064, while Michael P. Gualtieri, the son of Fred Gualtieri, made $42,910, and William A. Lawlor, Jr., son of Local 154 business representative William Lawlor, Sr., made $37,935.

In 1981, Darrell B. Hall, a witness before the Committee in 1981 made $1,404, while Richard K. Rittenhour made $30,807. According to testimony by Local 154 member John Fleck on June 29, 1983, Rittenhour's father worked as a carpenter on Fred Gualtieri's vacation home at the Seven Springs Resort near Pittsburgh in the late 1970's.

Also, in 1981, Gary Boring, a witness before the Committee in 1982 and 1983, made $16,227, while Gregory P. Gualtieri made $42,477. And in 1981, Wayne Boring, Gary Boring's brother, made $12,445, while Carl Pitzerel, a cousin of Fred Gualtieri's, made $31,043.

In 1982, Robert P. Stockdill, a witness before the Committee in 1983, made $4,439, while Michael P. Gualtieri made $29,220. And in 1982, Gregory P. Gualtieri made $39,998, while French Gower, a witness before the Committee in 1983 and 1984, made $7,100.

When these comparisons were raised by the Chairman at the June 19, 1984, Committee hearing, Local 154 Attorney Joseph Maurizi objected that the comparison was unfair because the union dissidents had not necessarily been seeking work at all times in Local 154's jurisdiction and might not have accepted all jobs that were offered to them. However, Mr. Gerald Kobell, Director of the NLRB office in Pittsburgh, told the Committee staff that he considered these factors prior to seeking large monetary awards for Gary and Wayne Boring, Anthony Asolone, Darrell Hall, Robert Stockdill, and French Gower. The NLRB proposed restitution of $398,847 in total lost earnings due to discrimination against these six individuals between 1977 and 1982. These amounts are being contested by Local 154 and were not expected to be finalized before October 1984. The local in July 1984 offered a $2.5 million settlement of the NLRB's overall $5 million claim for the 78 dissidents involved in the case, but this was rejected by the dissidents. (NLRB's proposed restitution order is Exhibit 8.)

The depth of animosity against dissidents in Local 154 was further illustrated when two members of the International Brotherhood of Painters and Allied Trades in Pittsburgh submitted affidavits stating that they had been referred as Boilermaker journeymen and received journeymen's pay in 1981 and 1982—years in which dissidents received very little work out of Local 154. The affiants, Thomas J. Smith and John A. Nagy, said they had absolutely no experience as Boilermaker journeymen at the times they received their journeymen referrals to power plants in the Pittsburgh area.

Testimony regarding hiring abuses in Local 687 in Charleston, S.C., was given on June 29, 1983, by a confidential witness who testified behind an opaque screen to protect his identity. This witness, known as "Welder No. 1—South Carolina," said that unqualified persons who were friends of the local business agent were being referred ahead of veteran journeymen on the out-of-work list. "In my local alone, I would say that 65 to 70 percent (of the 750 members of the local) are unqualified." He said journeyman books were sold to carpenters, bartenders, bar owners, and persons from other trades that had nothing to do with Boilermaking. "What I am trying to tell you," he added, "is that these guys have never seen a Boiler. Some of them are apple packers. Some are car salesmen. Some of them are just plain deadbeats. They could not hold a job at all without a union book in their hand."

Safety concerns

The apparent abuses of the 8,000 hour rule, a rule adopted by the union to ensure a minimum level of competency in the trade, and the ambivalent attitude toward enforcement of the rule that was displayed throughout the hearings by witnesses for the International, raises concerns over the safety of the plant projects to which unqualified workers are referred.

At the June 29, 1983 hearing, Welder Witness No. 2, a confidential witness from Pennsylvania who testified behind the screen, stated under oath that approximately 60 percent of the Boilermakers he worked with in the fuel pool system on Unit 1 of Three Mile Island in the mid-1970's were not qualified for the union journeyman books they held. He said that many of these persons had bought their books "right there on the job" from John Chappel, a business agent for Local 636 in Titusville, Pennsylvania.

Related testimony about the lack of qualifications on the part of some members of Local 636 came from James Quinn, secretary-treasurer of Local 154, who testified at the June 19, 1984, hearing that Local 154 at one point had found it necessary to stop referring out Local 636 members because of their lack of qualifications. Quinn said:

"Once it was determined that Local 636 cards were coming in with every Tom, Dick and Harry off the street that couldn't do anything, but the fact that they had a Boilermakers card, I personally went to the International Vice President of our area and

asked him to look into it. He looked into it and stopped it as far as Pittsburgh went, and Pittsburgh did not put any 636 new men on."

In its study of Local 154's referral of 273 unqualified Boilermakers as journeymen between 1979 and 1982, the majority staff attempted to identify the locations to which a sample number of these persons had been referred. The staff wrote and received responses from four major contractors in the Local 154 area—Babcock and Wilcox, Inc., Foster-Wheeler Energy Corp., Schneider Enterprises, Inc., and GPU Nuclear. Responses indicated that between 1979 and 1982, seven unqualified persons who did not meet the 8,000 hour standard had been referred by Local 154 to the Beaver Valley Nuclear Power Plant at Shippingport, Pa., and 166 others had been referred to conventional power plants or other industrial facilities in the local 154 area.[3]

Testimony throughout the hearings revealed that dangerous practices can be the consequence of referrals of unqualified persons and lax monitoring procedures on the part of union officials and company management. For instance, Welder Witness No. 2 at the June 29, 1982, hearing, testified that "some of the worst work I've ever seen" was done on the Three Mile Island Unit 1 fuel pool and fuel transfer pipe where the witness worked with allegedly unqualified persons. The witness testified that some incompetent welders attempted to weld "with stick wire and they could not weld it. So it was undercut, full of sludge. They just took a tig torch and washed it down and left the slag right in there. . . There is one big transfer pipe. The whole one end of the reactor side was like that, and there were probably 25 or 30 studs in the fuel pool itself, where they had had bad welds and they took and washed them all down with a tig torch to make them all look unform."

The witness testified that although the Nuclear Regulatory Commission did not consider the fuel pool a primary safety-related system, the fuel pool residue constituted nuclear waste, and if the fuel pool ever fell apart, nuclear waste could leak and cause an accident.

In related testimony, witnesses testified as follows:

French Gower, a member of the National Transient Division of the Boilermakers Union, testified that he was ordered to do electrical wiring at the Beaver Valley Nuclear Plant in 1980, even though he was a Boilermaker and not an electrician. Mr. Gower also tesitifed that at the Cardinal Power Plant in Brilliant, Ohio, in 1980, unqualified welders cracked all the welds on a device called the "super heater header" on the boiler.

Walter J. Fisher, of Runnemeade, N.J., a retired member of Boilermaker Lodge 329 in Philadelphia, testified that a boiler at the Toronto, Ohio, plant at Ohio Edison Electric Co. had to be completely redone because of shoddy, improper workmanship by inexperienced and unqualified welders. Fisher said that when he spotted a bad weld on the job, he informed the welder and said, "It is no sin to admit that you can't weld. You might be a tacker or something like that, but you're welding a joint there that is going to leak. Why don't you tell this guy to put you on as a fitter?" Fisher said, however, that the job foreman did not care: "He did not say anything. Neither did the pusher. So the guy just kept on welding."

Theodore Hull testified that on a job at the Hammermill Paper Co. in Erie, Pa., in 1983, a fellow boilermaker "was so drunk he just couldn't handle the job and he blew a big hole in the bottom of the tube" that he was welding. Hull said the foreman did not fire the welder but told him to "go in some corner and sleep it off."

Thomas J. Smith, one of the two painters who were referred as Boilermaker journeymen in Pittsburgh, wrote in his affidavit about the competency levels of those working at the power plant job to which he was referred in 1981:

"All painters worked the day shift, and Russ Franciscus, Ed 'Bunko' Wagner, and Whitey Rabitow, also painters, worked at night on the job. I worked with an impact hammer, a spud wrench, and a burning torch on the expansion joint of the precipitator. I also assisted a welder who welded brackets on upside down because he did not know what he was doing. I had no boilermaking experience before, so I had to ask the foreman, pusher or other workers how to do each job assigned."

Welder Witness No. 1, the South Carolina witness who testified at the June 29, 1983, hearing, said he had witnessed poor work on the part of unqualified welders on the last two power plant jobs to which he had been referred. "It was worse than shoddy—it was a first-class butcher job." He said he had observed numerous bad welds on those jobs as well as dangerous practices such as lifting materials with cables that were under strength. In one instance at the Cross, S.C. Generating Station in 1982, he said that several unqualified welders failed to pass their welding test but the union put them to work anyway.

Gary Boring, a National Transient Division member who gets his work referrals out of Pittsburgh Local 154, testified that while welding on the condenser of Three Mile Island Unit 2 in the mid-1970's, he wanted to remove some slag that was present in a weld that had been started by another welder. But when he brought this to the attention of the foreman, he was told to go ahead and weld, regardless of the slag present, which he did. Boring also alleged to NRC investigators in 1979 that several unqualified welders had bought union "books" that allowed them to work at Three Mile Island without pssing welding tests.

NRC REPORTS

NRC sought, improperly in the opinion of the majority staff, to discount the allegations by Gary Boring and the confidential witness who testified on June 29, 1983, to minimize the problems at Three Mile Island.

First NRC report

On April 9, 1980, NRC issued a report finding "no evidence" to substantiate charges Boring had made to NRC in 1979 regarding his own bad welds and the presence of unqualified welders at Three Mile Island. At the May 11, 1982, hearing, however, it was revealed that (1) NRC did not contest Boring's allegations of slag in his own weld but simply ignored that incident because "the condenser is a non-safety system not included in the quality scope of work at Three Mile Island", and (2) NRC had dismissed Boring's allegations of unqualified welders working with illegal books at Three Mile Island without interviewing any of 34 principals named by Boring. (Boring testified that he had been asked by Labor Department investigators not to give NRC the names; however, NRC did not make any effort to get them from the Labor Department and closed its investigation without interviewing any of the 34 individuals. See May 11, 1982, hearing record, p. 52.)

It should also be noted that the NRC's contention that the condenser is not a "safety" system was contradicted by the NRC's subsequent testimony that radioactive material could leak from the primary to the secondary side of the cooling system, where the condenser is located. (June 29, 1982, Hearing Record, p. 84.) While damage to the condenser would not be potentially as serious as would damage to a pipe in the primary or secondary cooling loops, allegations of bad welds in the condenser or any other section of a nuclear power plant should not be taken so lightly by the NRC. And the presence of bad welds in a "non-safety" system should make NRC more wary that they could have occurred in a "safety" system as well. (NRC Report is Exhibit 9.)

Second NRC report

Following the May 11, 1982, hearing, NRC made another attempt to discredit Gary Boring. In a report issued on June 10, 1983, NRC stated that Boring had retracted his earlier statement about bad welds at Three Mile Island. The report accused him of making "direct contradictions" in his statements, and it questioned his continued credibility as a government witness. Questioning of a panel of NRC witnesses at the June 29, 1983, Committee hearing revealed, however, that NRC had confused what Boring was saying. He had said only that he had no knowledge of bad welds at what NRC considered "safety" systems, but he had not retracted his statement about bad welds in the condenser, a "non-safety" system. (June 29, 1983, hearing record, p. 142-149.)

Boring testified at the June 29 hearing that in an interview on March 29, 1983, he had repeated his statement about bad welds in the condenser but that NRC investigators had disallowed it and wanted to talk to him only about the safety systems. When he told them that he had no knowledge about any bad welding in those systems, he said NRC characterized his statement as saying he had no knowledge of any bad welds at all, which was not what he had said. After confusing him in this manner, NRC accused Boring of making contradictory statements, which he in fact had not made. Chairman Hatch asked "How can your agency in good conscience dismiss his (Boring's) entire testimony as contradictory, when an affidavit which your own investigator drafted on his own terms left out critical information that had been given your agency by Mr. Boring on at least two or three different occasions? That is what you are using to compare with his statement . . ." The Chairman concluded that:

"It seems to me you chose to dismiss the entire investigation because Gary did not work in the 'safety' area. Now, whether Gary worked or did not work in the safety area should not be determinative, because he shows that unqualified welders were working on the nuclear site. I think if you had interviewed the 34 welders (on Boring's list), you might have found out where they worked and maybe have resolved the issue." (NRC later asked the FBI to interview the 34 welders so as to assure confidentiality of

[3] This report will not identify these individuals by name because of an agreement with the union not to disclose names of persons for whom pension records and qualification sheets were provided by the union as a means for the Committee's identification of worker qualifications.

their interviews. NRC said it could not legally grant absolute confidentiality. See Exhibit No. 10.)

Ultimately at the June 29, 1983, hearing, NRC investigator R. K. Christopher, one of the NRC agents who had interviewed Boring on March 20, 1983, repudiated the report's statements questioning Boring's credibility: "I do not question Gary's credibility or his intent by any stretch of the imagination." Rather he said his agency did not have the resources to focus on the condenser allegations or interview the 34 welders. "What I think we are trying to state in our position is that . . . we have extreme resource problems," Christopher said. "I have the sum total of three investigators in my office to cover the entire United States." In the staff's opinion, under close examination, NRC seemed more concerned with quickly ridding itself of the problems raised by Mr. Boring than with ascertaining whether the allegations were accurate. (Second NRC Report is Exhibit 11.)

Third NRC report

On September 2, 1983, the NRC issued a report finding that plant safety was not threatened by the allegedly poor workmanship in the welds on the fuel pool and fuel transfer pipe of the Three Mile Island Unit 1 and the condenser of Unit 2. In the staff's judgment, the body of the NRC Report did not support the report's conclusions. For instance, the report found that the inspected weld joints in the Unit 2 condenser "indicated poor final weld workmanship." And the report said there were "many areas of weld spatter, excessive convexity, improperly removed weld slag, weld clips that were knocked off with a hammer pulling out base metal, and many grinding scars."

With respect to the Unit 1 fuel pool, the report found that "20 of the 38 pipe ends had white deposits on the end of the pipes which indicated that they might have leaked sometime in the past."

With respect to the stud attachment welds in the fuel transfer pipe, the inspectors could not make a visual inspection because the welds were embedded in concrete. No X-ray inspections were made of any welds in either the Unit 1 fuel pool, fuel transfer canal or the Unit 2 condenser, although such X ray tests had been requested by Chairman Hatch at the June 29, 1983, Committee hearing. (Third NRC Report is Exhibit 12). For Chairman's request on X-rays, see June 29, 1983, hearing record, p. 19.)

OTHER NRC ISSUES

Palo Verde report

In a letter dated December 9, 1983, Committee Chairman Orrin Hatch asked NRC Chairman Nunzio Palladino to investigate safety shortcomings at the Palo Verde Nuclear Power Plant in Wintersburg, Arizona, that were alleged in a confidential letter to the Committee by a Boilmaker who did not testify in the Committee hearings. The NRC found that "none of the work in question involves any equipment which performs a nuclear safety-related function at Palo Verde." Therefore, the report cited "poor practice" in construction of a storage tank at the plant site, and it found that the tank had buckled and collapsed because it had not been vented properly to the atmosphere. To the majority staff, it appears that in this instance, the problem lay in the design of the tank, not in its construction. The staff feels that these allegations were relatively minor in nature, and do not impact on this report's conclusions involving welding. (Palo Verde Report is Exhibit 13.)

Welding tests

Another NRC issue that emerged at the hearings is that NRC does not uniformly require contractors at nuclear power constuction sites to institute positive photographic identification systems of persons taking welding tests. In a May 21, 1982, letter, Committee Chairman Hatch asked NRC Chairman Palladino to institute such a system to guard against cheating on welding tests. However, Chairman Palladino wrote back on June 28, 1982, that a sampling program of that sort would be instituted but that nothing more extensive could be done. The staff considers it essential that NRC order all contractors at nuclear plant sites to require positive photo identification to ensure the integrity of their welding tests. (For testimony on photo identification, see June 29, 1983, Hearing Record, p. 148-149.)

TEST CHEATING

Another major allegation by rank-and-file witnesses at the hearings was that union officials forced them to take welding tests for inexperienced or unqualified persons in order to get them qualified for power plant jobs. During the course of the hearings, six witnesses testified, under oath, that they had taken tests for other individuals at the express instruction of union officials. An additional five witnesses testified, again under oath, that they had seen competent welders taking tests for others. Two other witnesses testified that, while they did not have direct knowledge of test cheating, conditions were so lax in the test booth that cheating was likely.

French Gower, a member of the National Transient Division, testified that he had taken 100 to 150 tests for other persons over the course of his career, always under pressure from union officials.

John Fleck, a member of Local 154, testified that he had taken 21 tests at the Keystone Power House in 1977 to qualify about 15 to 18 men. He said he did so under orders from "the director on the job." He later explained to the Majority staff that this meant the foreman, a union official.

Gary Boring, a member of the National Transient Division, testified that in December 1977, he took between 13 and 15 welding tests at the Conemaugh Generating Station in Huff, Pa. He said, "I was specifically directed to take these tests by, I believe, what I will say is the director, the job foreman, and the steward."

Wayne Boring, a member of the National Transient Division, testified that he took tests for four or five other welders in 1981 at the Duck Island Power Plant in Trenton, N.J. He said he did so at the request of the welding supervisor, a company official. Boring later told the staff that this official was pressured by the union "to get men qualified for the job." Boring added that on another occasion in 1981, at the Keystone Power Plant in Pennsylvania, he took a test "for a young guy having a hard time with the tests." He said he was asked to do so by "the official or whatever in charge of the test booth there."

Welder Witness No. 2 at the June 29, 1983, hearing, testified that over the last 3 or 4 years he had taken welding tests for 10 or 11 people under orders from his union foreman. Asked why he did so, he said, "I needed the job." (These tests were at conventional power plants and not at Three Mile Island, where much of his other testimony was focused.)

At the May 11, 1982, hearing, Witness No. 2, a welder from the East who also testified behind the screen to protect his identity, stated that he took tests for other welders at nuclear sites on two separate occasions. On one of these jobs, he said he took 30 tests over a 2-year period. He did so, he said, at the instruction of the welding foreman. He testified that he was not expressly told that the tests were for other persons, but he knew they could be for no other reason because he had to requalify only once every 3 months, for a total of eight tests over the 2-year period.

At the same hearing, another confidential witness, Witness No. 1, a welding Supervisor who had worked mostly in the Northeast, said he had observed ringers taking the tests for other welders on some 75 to 100 different jobs, including chemical plants, nuclear power plants, conventional power plants and bridges. He also said he had been offered, but had turned down, bribes on "every job" to allow persons to pass the welding test or allow other ringers to take the test for them. The witness also said that the majority of people actually controlling documents that identify persons for testing were union officials. The following dialogue explored this point at the May 11, 1982, hearing:

"The CHAIRMAN. The Nuclear Regulatory Commission says that a number is given the person taking the test, and that he retains his number throughout his tenure on that particular job. Would this not be a good safeguard against the compromise of the test?

"WITNESS No. 1. We call that either stamps or brass in the industry. Again, it is a matter of follow-up or control. The majority of people controlling the brass or the stamps are the union people, the shop stewards, the general foreman.

"The CHAIRMAN. So you are saying there may be some manipulation of those?

"WITNESS No. 1. Absolutely.

"The CHAIRMAN. So this is not enforced, even though the NRC thinks it is?

"WITNESS No. 1. The NRC, you know, they are understaffed and underqualified. It is as simple as that."

Joseph Danko, a welding supervisor who also works sometimes as a welder, testified that he had frequently observed test cheating, the employment of persons without requiring them to take the test and the hiring of totally unqualified persons. At the Mount Storm Virginia Power Plant, in 1982, he said, "We had people that were groundskeepers, gas station attendants, painters and steamfitters." And on a job at the Mitchell Power Plant in Moundsville, West Va., he said the union "sent a young lady out there, probably 20 years old, maybe a little bit more, that was a coal miner, had never seen a boiler, had no idea what it was. She was sent out there by the union because her Dad was friends with somebody in the union hall. She couldn't even light a torch, and needless to say, created problems."

Vernon Boring, a brother of Gary and Wayne Boring, testified that he observed the welding foreman helping three welders with a test at the Reesdale, Pennsylvania Power Plant on April 11, 1983. Boring said he witnessed this from the fourth floor above the testing area, where the persons involved in the test could not see him because they had bright lights in their faces.

Joseph Friend, a member of Local 154, testified that he saw a colleague take tests for six different people at the Conemaugh, Pennsylvania Power Plant in 1981, He said

this was done because "if the local is hard up for qualified welders, and the company calls for welders, you got to give them somebody."

Welder No. 3, another behind-the-screen witness at the May 11, 1982, hearing, testified that he knew of "approximately six or eight incidents where people were running maybe five or 10 coupons for people who did not even have to take the test, and then these people would be put on as welders."

Two other welders—Theodore Hull and a confidential witness, "Welder No. 3 from the Nation at Large," (June 23, 1983)—testified that conditions they had observed at test sites were so lax as to invite test cheating. Hull said that when he was tested at the Perry, Ohio, Nuclear Plant in early 1984, the test was virtually unsupervised. Hull said the welding supervisor "was in there like maybe 15 minutes. Then he would be gone for most of the day, come back in the afternoon for 15 minutes, and then be gone." Hull said he was given only one day to pass the test while three members at Local 744 were given a week. He said companies agreed to allow the union to get their people qualified "just to make it easier, so they don't have union problems that they don't want."

Union testimony

Asked about these alleged incidents at the June 19, 1984, hearing, Union President Charles Jones said that the allegations of test cheating were "hard to believe." However, Mr. Jones was unable to provide documentation to challenge the substantial body of testimony from persons that they had cheated on the test. Arguably, such an admission on an individual's part is more significant than testimony about observations of a second party's cheating. Mr. Jones ultimately acknowledged that neither he nor the union had investigated any of the alleged test cheating incidents, although these allegations had been on the record for no less than ten months, and in some instances, more than 2 years.

At the hearing on the next day, GAO witnesses testified that the employers they interviewed for their study on worker qualifications in the Pittsburgh area" indicate that they believe it is unlikely for one individual to take a test for another" because welding tests were administered or supervised by company personnel. The GAO added, however, that two of the persons who admitted to test cheating before the Committee told GAO in mid-1984 that "cheating on welding tests is still occurring and welders are hired without taking tests. One of the individuals told us that he had, in early 1983, taken a welding test for another boilermaker who was hired by the company as a journeyman welder."

Two utilities who employ Boilermakers—Georgia Power Co. and Alabama Power Co.—testified that their companies were satisfied with the referrals they received from the Boilermakers Union. However, the significance of their testimony was limited because both contractors were outside the areas under the staff's study—Pennsylvania and South Carolina. Neither contractor employed boilermakers referred by the two locals under investigation. Also, despite announcements in October 1983 that a final hearing would be held sometime in early 1984, neither company notified the Committee of its interest in testifying until 4 days before the hearing, when both utilities did so at the request of the union. The late notification made it impossible for the Committee to verify or contest these witnesses' statements.

An issue raised by the hearings that commends itself to further study by Congressional Committees with jurisdiction over energy matters, is whether public utilities have an incentive to overhire or "featherbed" under "cost-plus" type contracts that yield a greater return on greater overall costs because of the application of a fixed profit percentage to the cost base.

The Georgia Power Co. witness said there were no cost-plus contracts on his system, and the Alabama Power witness said he was not sure about the makeup of his company's contracts. However, two rank-and-file Boilermakers who testified at the hearings, stated that contractor featherbedding under cost-plus arrangements was widespread in the construction industry. Charles Shirley, a member of Local 687 in Charleston, SC, who is referred for work out of Pittsburgh local, said:

"The more bodies they (the contractors) have out there, the more money they make . . . I think that is why they tolerate a lot of this (referrals of unqualified persons)."

The other witness who addressed this point, Theodore Hull of Cleveland Local 744, said that overstaffing was so rife at the Perry Nuclear Power Plant near Cleveland when he worked there in early 1984, that his entire crew was told to go to the bottom of the reactor containment vessel and keep out of the way for several days until work could be found for them. During this time he said:

"A lot of guys were sleeping, and a lot were just walking around . . . A lot of guys were smoking marijuana and I've seen drinking down there."

Finally, Mr. Jones indicated on June 19, 1984, that Bechtel, Georgia Power, Alabama Power, and National Constructors Association wished to testify on behalf of the union's referral practices. In fact, only two companies, Georgia Power Co. and Alabama Power Co., contacted the Committee prior to the hearing and time was provided for their testimony, despite its questionable relevance. A third company, Bechtel Power Corporation asked and was given permission to submit a written statement, but company representatives recently contacted majority staff and indicated that they decided not to provide any statement for the record.

Elbaor misstatements

At the June 19, 1984, hearing, union attorney David Elbaor, made numerous misstatements regarding earlier testimony by rank-and-file members on the subject of test cheating. Mr. Elbaor's erroneous statements were of such serious nature that it is important that they be corrected and not allowed to stand unrebutted.

First, Mr. Elbaor stated that Welder Witness No. 2, from the June 29, 1983, hearing, a witness who testified about faulty welding at the Three Mile Island Nuclear Power Plant, did not testify under oath. The staff considers this an apparent attempt to discredit the accuracy of the witness' testimony. In fact, the witness was sworn, as is indicated in the printed record of the hearing which had been available for some six months. (June 29, 1983, hearing record, p. 8)

Second, Mr. Elbaor testified that Gary Boring had retracted his May 11, 1982, testimony regarding bad welds at Three Mile Island. Mr. Boring, in fact, had told the Nuclear Regulatory Commission that he had not been aware of any such welds in the primary systems of Three Mile Island Unit 2, but that he himself had performed faulty welds in the condenser of the plant. (June 29, 1983, hearing record, p. 142-145) Similarly, union president Charles Jones testified erroneously that another Committee witness, Charles Shirley, had retracted testimony that he had either taken the welding test for unqualified welders or had seen other persons cheat on the test. Mr. Shirley never, in fact, testified that he took such a test or saw others take it. He said only that he had "heard" of such practices, so his testimony on that point was never given weight by the majority staff.

Finally, Mr. Elbaor testified that another witness, French Gower, had "lied to the FBI" regarding his statement in the August 2, 1983, hearing that he took 100 to 150 tests for other persons. Mr. Gower testified on June 20, 1984, that he had never been interviewed by the FBI on that subject. Since the Justice Department has told the committee that its inquiry has not been completed, the only way that Mr. Elbaor could make such a statement as to what an individual has told the FBI would be for him to have access to the Bureau's actual field reports or be informed of their contents by Bureau agents. Because of the seriousness of the charges made by Mr. Elbaor against Mr. Gower and the possible criminal violations involved, Mr. Elbaor was asked whether he possessed a copy of a FBI report on Mr. Gower. He responded that he did not.

Rank-and-file union members have often indicated their reticence about cooperating with the Bureau out of a fear that their names would be leaked to the union and consequently they would be subject to retaliation. Since it appears that, in this instance, such a disclosure may have occurred, the FBI has been asked to investigate whether Mr. Elbaor was given access to Bureau reports. The staff, subsequently, asked the FBI to investigate whether Mr. Elbaor, in fact, had access to such FBI materials and if so, whether any Federal laws were violated.

ILLEGAL BOOK SELLING

Another allegation made at the hearings was that business agents of Boilermaker locals were selling journeyman memberships to unqualified persons at prices in excess of the legal initiation fee. Such a practice, if the business agent converted the proceeds to his own use, would be in violation of 29 U.S.C. 501(c) dealing with corrupt payments to union officials.

At the October 25, 1984, hearing, three witnesses—Francis D. Hall, Darrell B. Hall, and Glenn Bowser—testified regarding the purchase of Boilermaker memberships or "books" at inflated prices from Gerald Dill, an Ohio Boilermaker who allegedly arranged for the sale of books out of Local 271 in Montreal. Darrell Hall testified that he paid Dill $1,600 in 1978, including $600 for a book for his father, Francis Hall, and $1,000 for a book for a friend, E. A. Dubyak, a person with no Boilermaker experience. Bowser testified that he, too, bought a Boilermaker book from Dill at a cost of $500 in 1976. Documents provided the Committee showed that all three—Francis Hall, Dubyak, and Bowser—received Boilermaker Journeyman cards from Local 271 in Montreal. The Montreal initiation fee at the time of all the purchases was $200. (Exhibits 14 through 19)

Union President Charles Jones, asked at the June 19, 1984, hearing whether he had investigated the alleged sales by Dill, said, "I don't know who Mr. Dill is." The staff

considered this admission to be an extraordinary oversight on Mr. Jones' part in view of the fact that the evidence against Dill, who himself had declined to testify, had been on the record for almost 8 months. Mr. Jones said that many of the Montreal books had been revoked when it was learned that certain applications had been falsified. However, none of the Hall, Dubyak, and Bowser transactions have been revoked and all three still held their Montreal cards when they testified on October 25, 1983.

Nonetheless, Mr. Jones stated that he would not tolerate illegal book-selling and cited as effective self-policing an incident in which the International reported book-selling by a phony union local in Delaware to federal authorities for a prosecution that proved ultimately successful in 1982. In that instance, outsiders were taken away initiating fees meant for the union. Mr. Jones, however, could not identify a single instance in which the union had similarly reported the alleged illegal sales by Boilermaker business agents.

Union misstatement

Questioning over the allegations of illegal book-selling raised a serious inconsistency in Mr. Jones' testimony. In his opening statement June 19, 1984, he stated it was doubtful that a person had ever been paid on the basis of the classification on his union card. Jones' testimony appeared to be undercut, however, by the fact that the bogus Boilermaker journeyman books sold by the Delaware imposter, James Whritner, known as "New York Jim", were regarded as valuable enough by purchasers that they would pay upwards of $500 to $1,000 for them. (May 13, 1983, hearing record, p. 199)

If persons holding Whritner's books could not obtain Boilermaker journeyman referrals, it is difficult to understand how Whritner was able to realize in excess of $200,000 through the sale of fraudulent union memberships, the figure supplied the Committee by U.S. Postal Inspectors. Also, Messrs. F.D. Hall and Glenn Bowser were able to obtain Boilermaker referrals on the basis of their cards although they did not meet the 8,000 hour or apprentice training requirement. Jones' statement about a journeyman's card not leading to journeyman's pay is further contradicted by the employer statements on p. 15-16 of this report.

OTHER ISSUES

Other issues at the Boilermaker hearings included allegations that officials of Local 154 required members to buy raffle tickets under threat of firing, and that a portion of members' salaries was deducted for a "vacation fund" and lent back to members at 18 percent interest.

50-50 raffle

At the May 11, 1983, Committee hearing, Gary Boring testified that officials of Local 154 required all workers, including transients, to purchase five raffle tickets, at $1 per ticket, for each week that they worked out of the union. The raffle tickets were known as the "50-50" raffle because 50 percent of the proceeds were to be paid out to participants and the other half was to go into the local's welfare fund.

At the May 11, 1983, hearing, Witness No. 1, a confidential behind-the-screen witness who was a welding supervisor, testified that the forced sale of such tickets was widespread at construction sites throughout the union, and that, "It is well known, if you do not buy them you are not going to be on that job very long." At the Committee's August 2, 1984 hearing, French Gower, a member of the National Transient Division who gets most of his referrals from Local 154, said that he was fired from a job in 1980 for refusing to buy tickets. On June 20, 1984, Joe Danko, a member of Local 744 in Cleveland, said he also had been fired for refusing to buy raffle tickets.

By mid-1983, former rank-and-file witnesses in touch with the Committee staff told the staff that forced sales of 50-50 tickets had ceased in Local 154 as a result of the 1982 Committee hearings. At the June 29, 1983, hearing, John Fleck, a member of Local 154, and Bruce Lawson, a member of Charleston, S.C., Local 687, who gets his referrals from Local 154, testified to that effect. Fleck said, "They do not ask you now (to buy the tickets). Years ago, they used to just staple them on your check." At present, the staff was unsure whether the practice had ceased in Local 744, however.

Vacation fund

At the June 20, 1984, Committee hearing, Joe Danko testified that in Cleveland Local 744, $1 an hour of employees' gross wages was automatically deducted for a "vacation" or "savings" plan which could be lent back to the employee at 18 percent annual interest. For a period of time prior to the money's deposit in the employee's account, Danko said, the employer and the local would earn interest from the employee's money. Following are excerpts from Danko's testimony:

"Mr. DANKO. They have what they call a vacation plan or savings, whichever the case may be.

"The CHAIRMAN. What does that mean?

"Mr. DANKO. In Cleveland it consists of $1 an hour which is put into the bank for you. You have nothing to say about it. It is automatically taken.

"The CHAIRMAN. Well, isn't it ultimately put into your own account, though, after about 30 days?

"Mr. DANKO. After 30 days, yes, sir.

"The CHAIRMAN. Well, what's wrong with that, if they are causing you—I agree, they shouldn't have to force you to save or—

"Mr. DANKO. This, in itself, there is nothing wrong with it providing it was done the way it was supposed to be but, by the same token, this can amount to hundreds of thousands of dollars which the company that you're working for holds, gets interest off of it during that period of time. They in turn turn it over to the local, which takes another 15 days that this is deposited in their account. They get money off of this before it is put into your account. Now Cleveland—

"The CHAIRMAN. But can't you take it out of your account after 30 days?

"Mr. DANKO. It never all gets in there in that period of time. In other words, if the pay period ends in the middle of the month, say from the 15th of May, this will go in the 15th of June and anything worked from the 15th of June will not go in until the 15th of July.

"The CHAIRMAN. How long a time has to expire before you can take that out?

"Mr. DANKO. I would say in order to get everything that you work, most of these jobs as a general rule will last 6 or 8 weeks. They are repair jobs. Some will go possibly 12 weeks. You have to wait at least 5 months if you want to get all of it.

"The CHAIRMAN. I see. Now you tried to borrow on one of those accounts, and I think that was in Chillicothe?

"Mr. DANKO. This is the Brotherhood Bank in Kansas City. I believe it is probably owned by the International. Certain locals will take, deduct this money from you. It goes into the Kansas City bank. You only get this once a year, unless—

"The CHAIRMAN. In other words, you wait for 12 months—

"Mr. DANKO. That's right, unless you request it. Then if you request it they give you your money in the form of a loan on which you pay 18 percent interest.

"The CHAIRMAN. In other words, they deduct this money from you once for every hour you work—

"Mr. DANKO. That's right, sir.

"The CHAIRMAN [continuing]. They put it into, I guess, a savings or a vacation fund—

"Mr. DANKO. More or less, yes.

"The CHAIRMAN [continuing]. Which they then put into a bank, which you have difficulty getting out much shorter than 5 months even though the job only generally lasts 6 weeks or so.

"Mr. DANKO. That's right.

"The CHAIRMAN. And in this particular case in Kansas it would take you a year to get it out, and if you tried to take your own monies and borrow against them, they would charge you 18 percent interest.

"Mr. DANKO. That's right, sir. Unfortunately, I forgot to bring them, but I have papers to substantiate this.

"The CHAIRMAN. What happens? Do they ever deny you the right to borrow your own funds?

"Mr. DANKO. It depends on the business agent. If he don't like you, he don't have to okay it.

"The CHAIRMAN. If he doesn't what happens then?

"Mr. DANKO. Well, then, you just wait. You don't get your money.

"The CHAIRMAN. So you wait for about a year then?

"Mr. DANKO. That's right.

"The CHAIRMAN. But you ultimately get your money?

"Mr. DANKO. Oh, you would get it ultimately, yes.

"The CHAIRMAN. But if he approves it you are going to pay 18 percent interest just to use your own money?

"Mr. DANKO. That's right.

"The CHAIRMAN. That doesn't seem right to me.

"Mr. DANKO. It isn't right.

Mr. Danko was the only witness at the Boilermaker hearings to testify on the subject of the vacation fund. It is unclear whether the fund involves the International or only Local 744. At any rate, Mr. Danko's allegations should be thoroughly investigated by the Department of Labor, which has jurisdiction over issues involving union pension funds.

OPERATING ENGINEERS INVESTIGATION

Witnesses in the Operating Engineers hearings testified to a broad pattern of abuses by local business agents in Lake Charles, LA, and Cleveland, OH. The Lake Charles allegations included job referrals of unqualified women equipment operators in return for sexual favors, extortion of rank-and-file members for contributions to the business agent's legal defense fund, payroll padding, job discrimination, and extortion of contractors. The Cleveland allegations centered on job discrimination and questionable use of union funds. Officials of Lake Charles and Cleveland locals, and the President of the International, J.C. Turner, turned down the Committee's requests that they testify at the hearings.

LAKE CHARLES INVESTIGATION

Sexual favors

One Louisiana witness testified directly and another submitted an affidavit that they had been referred to jobs at chemical plants without the requisite journeyman experience [4] in return for sexual favors granted to Willard Carlock, Sr., business agent of Local 406 in Lake Charles, LA.

At the February 28, 1984, hearing, a behind-the-screen witness testified under oath that Carlock referred her to a job at the Olin Matheson Chemical Plant in Lake Charles in August 1978 in return for sexual favors. "He told me if I wanted the job, this is what I would have to do," she said. She said she submitted to Carlock's demands "because I needed a job. I had a family to raise, and I had never made money like that in my life, and I just couldn't pass it up."

The confidential witness said she received a second referral to the Olin Plant in the fall of 1978, again in return for a sexual favor to Carlock. She did not sign the out-of-work book for either referral. On the first referral she was paid $7 an hour, but on the second she received the full $11 an hour journeyman's wage. Her previous experience had been as a waitress, and she had no experience operating heavy construction equipment. She said her job at the Olin plant was to turn on the welding machines in the morning, turn them off at the end of the day, and fill them up with gas if that was needed during the day. She was laid off in October 1978, and began studies to become a beautician.

Similar testimony came in a sworn affidavit submitted to the Committee on May 22, 1984, by Beverly Edwards of Sulfur, LA. Edwards said she had lived with Carlock for some years and was given her choice of job referrals by Carlock in return for sexual favors. She said that on various referrals to chemical and coal plant projects she observed theft by workers, and workers sneaking away from the job but getting paid full wages. She was not a union member and had no experience. Typically, she said, she worked no more than 4 hours of her 8-hour shift, but routinely received journeyman's pay for a full 8 hours.

Two other women without operators' experience testified before the Committee on February 28, 1984, that Carlock referred them to journeyman jobs without their signing the out-of-work list. Both witnesses, Cheryl Alexander and Janice Maxey Green, testified that Carlock sought sexual favors from them but they did not comply with his wishes.

Alexander testified that on her first job, in 1978, at the T.L. James Chemical Plant, she was referred as an oiler but, as it developed, "I sat under the shade tree to stay out of the sun, and that is it." She testified that when she asked her job foreman what she was supposed to do, he said, "Nothing. Just don't fall asleep, because if the company personnel come by, they would be rather upset if you did." When she got tired of sitting under the tree, she said, she "just got up and walked around."

On later referrals between 1978 and 1983, Alexander said she "came and went as I pleased," but always received full pay. "There were a lot of days I didn't work, or I would decide at noon or whatever . . . that I wanted to go to the hall, and I left." In socializing with Carlock at the union hall, she said she observed extensive abuses of the referral process, including out-of-sequence referrals for Carlock's friends and referrals of "the scrounge of what was left" for contractors that were out of favor with him. During the 1978–1983 period, she said Carlock made "very many overtures" to her about having sex with him, but she always refused. In November 1979, about a year and a half after she started work, she said Carlock became "irritated with me because I wouldn't have sex with him." So she then entered a training program in order to avoid being laid off. For a time, Carlock's sexual overtures to her ceased, but they were to resume again later. Finally, in 1983, she left the union after Carlock told her, I wasn't taking care of him, so why should he take care of me?"

Janice Green, the other witness who testified on this subject, said Carlock hired her for a journeyman position in August 1980, "without any experience whatsoever." On her first day, Green said, Carlock made suggestions that he expected a sexual favor, but she resisted him and offered to return the referral if such strings were attached. She said Carlock let her have the job anyway and sent her to the Pullman-Kellogg Liquid Natural Gas Plant in Lake Charles, where she worked as a unit operator maintaining welding machines and diesel water pumps. She said she had 2 to 3 hours a day free time, during which she would "sit in my shack and read books." She continued on the job until February 1981, when she was laid off by Pullman-Kellogg.

Job discrimination

Howard Taliaferro, a veteran equipment operator with 18 years' service in Local 406, testified on February 28, 1984, that while inexperienced women operators were getting referrals for sexual favors, or in anticipation of such favors, journeymen such as himself were not being referred for work. Taliaferro said he could not get referrals for some 15 or 16 months commencing in 1981, because he had angered Carlock. Taliaferro said he followed the out-of-work list carefully and on one day when he thought his name was coming up to go on a pipeline job at Jennings, La., he went to the job site and "found five or six operators on the job that had never signed the out-of-work list." Taliaferro said he provided the names of these operators to the National Labor Relations Board in New Orleans, but that the NLRB dismissed his complaint without even interviewing any of the other operators. Taliaferro said the NLRB investigator told him, "We just don't have the gas or the time. You're causing me a lot of trouble." Taliaferro also submitted affidavits from 10 other journeyman operators alleging job discrimination in Local 406.

CARLOCK DEFENSE FUND

Four rank-and-file members of Local 406 testified that Carlock or his associates required them to make payments to a legal defense fund for Carlock as a condition of their continued employment. Three other Local 406 members submitted sworn affidavits to that effect.

Witnesses said the fund initially was raised to pay Carlock's legal expenses regarding investigations of Carlock's alleged involvement in labor violence at Ellender Bridge and the Jupiter Chemical Plant in the mid-1970s. Witnesses said the collections were never voluntary and that they continued for at least a year after an announcement had been made by the statewide business agent of the Operators that Carlock's legal expenses had been paid off. Following are excerpts of witness testimony regarding contributions to the fund: (All testified or submitted affidavits on February 28, 1983, except James LeDoux who appeared before the Committee on May 22, 1984.)

Gene Barr, a veteran operator, said that in late 1977, he, along with 14 or 15 other operators, attended a meeting in which Mike Scimemi, a close associate of Carlock's said, "Carlock needed us all to donate a certain amount of money for his attorney's fees." Barr said that Scimemi told them that "if you will all do this for Mr. Carlock, you'll never have to worry about a job." Scimemi asked for $1,500 from each member. Barr borrowed the money from Finance Service Company of Lake Charles and gave it to Carlock. A check issued by the Finance Company and dated November 16, 1977, was endorsed by both Barr and Percy Foreman, Carlock's attorney. According to documents provided the Committee, eight other operators borrowed similar amounts from the same company on November 16 or 17, 1977, and made the payments to Carlock. All the check stubs were endorsed by Percy Foreman, with the exception of one check that was endorsed by Willard Carlock, Sr. The checks totalled $14,556. (Exhibit 20)

Alton Janise of Lake Charles, who was hospitalized at the time of the hearing, submitted a sworn affidavit stating that he was approached by Ronnie Leger, an associate of Carlock's and told to contribute to the Carlock Fund. At this time, mid-January 1979, Janise was a steward for Weiss Construction Co. at the Olin Matheson job site in Lake Charles. Janise said he collected about $800 in cash from his crew and gave it to Carlock, together with his wife's personal check for $50, on January 21, 1979. A copy of the Janise check, endorsed by Carlock, was furnished to the Committee. (Exhibit 21)

John Sylva testified that he contributed $400 to $500 in cash to the Carlock defense fund over a 9-month period in 1979 and 1980. Sylva said he did so at the request of Houston Byrd, foreman on the Pullman-Kellogg job at Lake Charles, who told him, "You pat the man's back, he's going to pat yours." Sylva said Byrd collected $12.50—one hour's pay—from him each Monday morning over the 9-month period. Sylva said contributions were made regularly by at least 100 people in his immediate work area.

Janice Green, who also worked on the Pullman-Kellogg job in 1980, testified that Houston Byrd also approached her about contributing to Carlock, and that she gave him $25, which she thought would be a one-time contribution. But the next week he approached her again, and she again gave $25. In the third week, Bryd approached her again, but she resisted. She said Byrd then told her, "Willard Carlock got you your job. Willard Carlock can take it away." She never contributed again and was laid off in February 1981.

James LeDoux testified that he contributed $150 to Carlock's defense fund in 1979 and 1980 on the understanding that "If I would contribute the money to Willard Carlock and his cronies, I would stay on the job longer; I would have better working conditions."

Other sworn affidavits on the defense fund were submitted to the Committee by Jess W. Rowsey and Lee Savoie. Rowsey stated that he paid at least $140 into the defense fund and that he witnessed the statewide business agent, Peter Babin II, making a statement to the local in April or May

[4] Generally, a four-year apprenticeship or agreement by both contractor and union, following on-the-job training, that a person deserved journeyman status and pay.

1979, that the defense fund had been paid in full and that there was no need for further collections. However, Rowsey said attempts to collect money for the fund were still being made as late as 1980. Savoie stated that Nathan Courville, a Local 406 steward, forced him to contribute $100 to the fund, even though he had not worked for 4 years, had been hurt, and could not afford to give money.

Grand Jury

In 1981, a Federal Grand Jury in Lafayette, La., took testimony about the Carlock defense fund but did not return indictments. Green and Sylva, who had been witneses before the Lafayette Grand Jury, told the Committee on February 28, 1984, that numerous other potential witnesses before that Jury appeared to be intimidated by the access of outsiders to the Grand Jury room. Green said that Frank Salter, a lawyer perceived to be Carlock's attorney was asking witnesses how they had testified as they went out into a hall in full view of persons still scheduled to testify. Salter told the Committee later that he had never represented Carlock; however, the perception that he did could have had a chilling effect on Grand Jury witnesses. Salter should not have been allowed to debrief witnesses in view of others yet to testify. Green also said that "a lot of people at this hearing were pressured before they came to this hearing that if they testified against Carlock, they would lose their jobs and that they would never work again in Lake Charles."

Sylva said he also was questioned by Salter but told the lawyer that what he said was "none of your darn business." Sylva said that while he was seated in the corridor close to a pay telephone, he also noticed that C. J. Laird, assistant business agent to Carlock, "Kept calling that number and asking different people to come to the phone." He said that one person phoned by Laird "hollered out quite loudly, 'C.J., I'm not about to commit perjury for anyone.'"

At the Committee's hearing on the day following Sylva and Green's testimony, Stephen S. Trott, Assistant Attorney General, Criminal Division, U.S. Department of Justice, testified that the Local 406 investigation would be reopened by the Justice Department based on the testimony from the previous day's hearing. Trott said:

"Watching the information that you have developed, it has become absolutely crystal clear to me that the predicate on which this investigation involving the defense fund was closed may very well have been defective and influenced by an obstruction of justice in subornation of perjury. I have determined that this investigation shall be reopened and shall be carefully examined in that respect. We intend to pursue this vigorously and get to the bottom of it."

Payroll padding

At the May 22, 1984, hearing, a panel of witnesses from both the union and contractors testified that union corruption and company mismanagement led to massive cost overruns on a construction project at the Roy S. Nelson Electrical Generating Station, Unit No. 6, in Westlake, La., near Lake Charles.

The Committee's investigation focused on the plant's coal-handling facilities, constructed between 1979 and 1981, by Pullman-Torkelson Co., under subcontract to Bechtel Power Corp., the prime contractor for the Nelson plant. The Committee staff reviewed but did not release a 700-page report on a joint Bechtel-Gulf States Utilities audit of Pullman-Torkelson's $43 million claim on what was to be $11 million in subcontracts. To its credit, Gulf States agreed to pay only a little over $3 million of the overrun, based on legitimate claims. Pullman-Torkelson was the main victim of the alleged union corruption and had to consolidate with another company, Wheelabrator-Frye, Inc., due to the staggering losses it incurred on the Nelson project. Following are excerpts of the sworn testimony by union members and company officials on the Nelson cost overrun:

Charles Lovett, a 21-year veteran of Local 406 who was job steward for Bechtel at the Nelson project between November 21, 1978, and January 29, 1982, testified that operators favored by Carlock were able to come and go as they pleased, were paid unnecessary overtime and were paid even though they would be "as far as 500 miles away on hunting and fishing trips, sometimes with the business agent." Lovett said some of these individuals were able to get paid at the same time on multiple company payrolls that yielded them as much as 1,200 hours pay per month. (Following Lovett's testimony, the Chairman and Ranking Minority Member of the Committee wrote the International's pension fund a joint letter requesting pension records of 61 individuals named by Lovett as being paid for "no show" jobs, or as it is sometimes called, "ghost employees." The pension fund complied with the request, and an evaluation of these and various company records was under way at the time of the preparation of this report.)

Lovett also testified that incidents of sabotage occurred on the Pullman-Torkelson job site in order to prolong the job and keep the operators working. He said certain operating engineers loosened the clamps on the freezing unit that kept the sides of the coal storage hole from collapsing. Once they were loosened, the hole collapsed, and the job was delayed for a 2-year period, he said. Lovett also testified that Pullman-Torkelson was coerced into renting an inoperable bullbozer from Cat-Low Equipment Co., a firm owned by Willard Carlock Jr., at a cost of about $144,000 in 1979 and 1980. Lovett submitted documentation that Pullman-Torkelson paid more than $25,000 to repair the bulldozer on December 17, 1979. He said that, to his knowledge, the bulldozer was never used on the Pullman-Torkelson job. Lovett said that Pullman-Torkelson officials gave in on the equipment rental "under severe threat and intimidation" from the union. He said they feared that had they not rented the bulldozer from Cat-Low, "every piece of equipment on the Pullman-Torkelson job would have been sabotaged as it came on the job. It is just that simple. (Repair voucher is Exhibit 22.)

Lovett also confirmed characterizations by Pullman-Torkelson officials in the Gulf States audit report that Pullman-Torkelson was overstaffed by at least 100 percent on the job, that craftsmen played basketball on a double-time day, and that workers gambled and drank routinely on the job, left the job at early hours and still got paid for the full 8 hours.

Elmer J. Richard, field office manager and field purchasing manager for Pullman-Torkelson on the Nelson job from July 1979 to February 1980, testified to ghost hiring and "frequent irregularities" in timekeeping that led to overpayment of union members. Richard said there were at least 10 ghost employees on the job during his tenure as office manager. In lieu of sending out an oiler to assist the operator in maintaining equipment, Richard said he would get a referral slip with a name and social security number and would be approached by the operators' master mechanic, Ronnie Leger, with the assurance that the operator would take care of the maintenance on the unit, but that he wanted to put the oiler's name on the payroll anyway. "In order to complete the tie-in for payroll purposes," Richard said, "I would have to make sure that the timekeeper was aware of it and also that the payroll clerk was aware of it and we also tried to maintain a low-key attitude toward this—no publicity, if possible." Richard said he was told by his superior, the field superintendent, to go along with the union's payroll claims. Richard said the company felt that had they resisted, "we would have seen a marked difference in their performance in the field . . . They would have definitely retaliated." Richard said that while the Operating Engineers Union was the only union that "ghosted," others were overstaffed and were paid excessive overtime. He said these were the Teamsters, Iron Workers, Carpenters, and Laborers.

A statement for the record from David Atkins, construction coordinator for Pullman-Torkelson on the coal handling contracts between January 1, 1980, and April 1, 1981, made allegations similar to those of Lovett and Richard. Atkins had planned to testify at the hearing, but was detained on business in Lake Charles, so his statement for the Gulf States audit report was placed in the record with his permission.

Atkins said that for all practical purposes, the craft foremen were writing payroll checks on the job. He said that by the end of February 1980, actual labor costs were running two or three times above his estimates. He attributed this to overstaffing by the Carpenters, Laborers, Iron Workers, and Operating Engineers Unions. He estimated that one of the Pullman coal-handling jobs was 30 to 35 percent overstaffed and the other was 50 to 60 percent overstaffed. Atkins said, "The operators had thoroughly intimidated Pullman supervision and were featherbedding the job, overstaffing it, and not cooperating with the contract."

John Fruge, a member of Local 953 of the International Brotherhood of Carpenters and Joiners of America, testified to extensive abuses by both Carpenters and Operating Engineers Unions on the Pullman-Torkelson coal handling jobs.

Fruge, who served as carpenter steward on Pullman's active storage substructure from July to October 1979 and later as superintendent for Loftin Construction Co., a subcontractor on Pullman's car rotary dumper hole project, said he found on the first job that the Carpenters were 30 to 40 percent overstaffed. With Loftin, he supervised Operating Engineers and said they were at least 50 percent overstaffed. When he attempted to cut back the unnecessary operators, he said he was told, "If you don't keep these people on, the pumps are going to break down, the weather machines won't run. You'll encounter these things. So the people might as well stay on the job."

Fruge said the Carpenters Union referred numerous unqualified people to the job, including the daughter of Robbie Carlysle, the general foreman on the rotary car dumper hole project, and the secretary to the sheriff of Lake Charles, Wayne McAlvin. He said Carlysle's daughter might work 2 or 3 hours a day (always at paperwork—not carpentry) or might take off a week at a time, but would always be paid fulltime or

overtime. Throughout this period, Fruge said, "They had qualified carpenters sitting on the bench at the halls, and they would stay there because the unqualified people would stay on the jobs because of their connections with the business agent or family ties."

Fruge said that while he was a carpenter job steward in charge of incoming materials and supplies, Carlysle told him to make all his lumber purchases from a supply company owned by Carlysle's father-in-law. After awhile, Fruge noticed that Carlysle was ordering an excessive volume of material, which he soon learned was being delivered to the site of a house that Carlysle was building. When Fruge complained about this practice to the general foreman, he said his responsibilities as materials coordinator were taken away and given to the Teamsters. He said he later learned that another union official, Ronnie Cannon, the business agent, was building his house with Pullman-Torkelson materials. Fruge said he eventually checked invoices on all the incoming materials and estimated the company's losses due to theft of these materials at "anywhere from $250,000 to $400,000" of which about $100,000 went for Carlysle's house. He said Carlysle also was using carpenters to build his home while they were being logged in and paid on the Pullman-Torkelson payroll.

James LeDoux, a member of Local 406 of the Operating Engineers Union, testified that he was asked to participate in the sabotage of the coal storage hole, which added an additional period of up to 2 years to the Pullman-Torkelson job. He said Mike Greer and Willard Carlock, Jr. asked him to go down into the hole and loosen some clamps on some rubber hoses of the terra freeze unit so that the brine system would leak and the hole would thaw and eventually collapse. He said he refused to do it, but that the project was sabotaged the next night anyway. LeDoux also testified that the Operators on the Pullman job often played cards or basketball, drank, and engaged in sex at the operators shack during working hours. LeDoux said the windows on the shack were painted black because "they didn't want people to see what was going on inside." Once, he said, he personally caught "this operator and this girl in one of our shacks . . . they had the door locked." He said the operators used the shack for sleeping and playing cards as well as for sex.

Extortion of contractor

A far-reaching scheme of sabotage and extortion on the part of Willard Carlock was alleged at the February 28, 1984, hearing by Ann Blackwell, construction manager for Mar-Len of Louisiana, a civil and underground building contractor that employs members of Local 406 of the Operating Engineers union.

Blackwell said her primary experience with the Operators was on two projects—a $5 million fire protection installation on the U.S. Department of Energy's Strategic Petroleum Reserve project at West Hackberry, La., and a paving project on Maplewood Drive in Sulfur, La.

Blackwell said that the West Hackberry job, which had been scheduled for completion on January 30, 1982, was delayed for 6 months because of "continued equipment failures, part of an apparent scheme by the Operating Engineers to extort me." She said there were work slowdowns, faked illnesses, and bomb threats. At one point, she said the Operators all left the job because they said they got sick from the drinking water; however, affidavits submitted into the record and one direct witness, Truman Johnson, an operator on the West Hackberry job, stated that there was nothing wrong with the water but that operators were told to go home in protest against Blackwell's firing of the master mechanic's son for speeding on a piece of construction equipment.

Blackwell said that in order to get her to rent construction equipment from Tri-Coast, a company in which she believed Carlock or other union officials had a financial interest, operators on the West Hackberry job began to systematicaly destroy her equipment. According to an affidavit by Tracy Willard, a local 406 operator who served as Blackwell's equipment superintendent, "Operators were deliberately tearing up Mar-Len's equipment. The 406 master mechanic, Mike Scimemi, was directing this. They were burning up starters, getting sick and going home, sending oilers that were not needed."

Blackwell also submitted an affidavit by Richard D. Hambrick, the head of her field engineering crew, stating that Scimemi deliberately cut the site's main instrumentation cable in November 1981. "Scimemi was operating the machine when the cable was cut," Hambrick said. "Many times operators cut cables like this one that were very plainly located. Some of them that were actually exposed were cut." Repair of the main cable cost her company between $30,000 and $60,000, Blackwell said.

After incurring about $100,000 in overall equipment repair costs, Blackwell said she was told by Mike Scimemi that she might try renting equipment from Tri-Coast even though she already had the same equipment in her own inventory. In all, she rented seven or eight pieces of equipment from Tri-Coast, at a cost of about $100,000. Yet in every instance, she already had equipment that she considered superior to those pieces provided by Tri-Coast. She said sabotage to her equipment stopped once she started renting from Tri-Coast. "I learned through trial and error that the only way I could keep a piece of Mar-Len equipment running was to rent a sufficient number (from Tri-Coast)," she said. Although Carlock was not listed as an owner of Tri-Coast, Blackwell said, "Carlock would come out to the job and he just quite frankly acted like he owned Tri-Coast . . . From all his actions and dealings out at Hackberry at that time he obviously had an interest in that company." Blackwell said Carlock would come out "every 3 or 4 days after I started renting Tri-Coast equipment, and asked me was all my equipment running all right, and kind of suggesting I might need another piece . . ." She said Carlock never told her he owned Tri-Coast but did tell her quality assurance manager, William Bonvillain, that Mar-Len should be renting from Tri-Coast to avoid having equipment breakdowns. Blackwell also submitted affidavits of three workers that tended to link Carlock to some financial interest in Tri-Coast. The affidavits stated as follows:

Ricky Cardenas, a Tri-Coast truck driver, stated that Carlock would stay in the Tri-Coast offices nearly every day and use Local 406 operators to rig out tractor-trailor rigs owned by Carlock and put them to work for Tri-Coast.

Charles Shoemaker, a Tri-Coast office manager, stated that Carlock spent 5 or 7 hours a week at the Tri-Coast offices and that Carlock gave the Tri-Coast president blank referral slips that had been signed by a union representative.

Newell K. Guillory, a Local 406 operator, said that Tri-Coast paid less than union scale to some operators from Local 406. He said he was given orders repeatedly by Carlock to do Tri-Coast work and never paid union dues or assessments while he worked at Tri-Coast.

Blackwell said she went through a long struggle with Carlock over her intentions to fire Scimemi and hire a master mechanic of her choice, as specified under a written agreement with the union. After she finally fired Scimemi, Local 406 operators refused to work for a 3-week period, and Carlock demanded that Mar-Len terminate Blackwell as a condition for the replacement of Scimemi. Finally Mar-Len officials contacted headquarters of the International and the dispute was resolved in Blackwell's favor.

On Mar-Len's other project, the Maplewood paving job, Blackwell said the union forced her to hire three ghost employees as oilers—Employees Gia Marie O'Quinn, Rene Mancuso, and Margaret Barnes. With respect to Barnes, Blackwell provided pay records showing she was paid during the same period of time in 1980 by both Tri-Coast and Mar-Len. (Exhibit 23) Blackwell submitted an affidavit from O.T. Fisher, foreman on the Maplewood Project, attesting that the three oilers were sent to the project by Garland Davidson, president of Tri-Coast, and that the three showed up for work rarely, if at all.

Blackwell introduced a July 18, 1983, letter she wrote to J.C. Turner, president of the International, revealing her problems with Local 406. Blackwell testified, and union attorneys confirmed to the Committee staff, that the letter was never answered. (The attorneys stated Turner did not want to prejudice pending litigation between Blackwell and union officials in regard to these matters.) Blackwell said she received one call from the local FBI agent, but that he never followed up with an interview. On the day following her testimony, however, Assistant Attorney General Stephen Trott pledged to investigate Blackwell's charges as well as those regarding the Carlock legal defense fund, and she was interviewed by the FBI when she returned home from the hearing. Department of Energy investigators also visited Lake Charles and conducted interviews prior to Blackwell's testimony in Washington, but told both Blackwell and the Committee staff at the time of the hearing that their investigation was still ongoing and that they could not release any documents or make any statement at that time.

CLEVELAND INVESTIGATION

Witnesses from Operating Engineers Local 18 in Cleveland testified on February 29, 1984, to a longstanding pattern of employment discrimination and misuse of funds by union officials.

Professor Stephen W. Gard, of the Cleveland-Marshall College of Law, an attorney for members challenging the union leadership, testified to "a long and unfortunate history" of abuses in Local 18, including the fact that Local 18 was a focal point in the original investigations conducted by the Senate Government Operations Committee under the late Senator John McClellan in the 1950s. Despite court judgments against the local, Gard stated that the union was still discriminating against members. As recently as 1984, Gard said, Murphy had been denied his right of electoral participation as required by a court order in *Murphy* vs. *Local 18*. And in addition, Gard said he be-

lieved there had been "repeated violations of fiduciary obligations" under 29 U.S.C. 501 of the Labor Management Reporting and Disclosure Act. A large number of favored members were still being carried on Local 18's membership roll, Gard siad, even though the members had been in substantial arrearage on their dues. Thus Local 18, he said, became obligated for a per-capita debt tax to the International for those members. "This is a substantial sum of money which has been lost to the members of Local 18 as a result of the failure to properly account within the union, by the union leadership, in a proper manner," Gard said. Gard also testified that in 1982, Local 18 made a political contribution of $15,000 to Richard Celeste, a candidate for governor of the State of Ohio. He said the contribution was made out of the General Fund and not the political action fund and was not specifically authorized by the membership of Local 18. "This," he said, "would be a violation of the union's fiduciary obligations to its membership," although it apparently did not violate federal and state election laws.

Gard said another abuse in Local 18 was employment discrimination. After Murphy had become a dissident in 1970, he worked only about 200 hours in 1971, not at all in 1972, 2 weeks in 1973, not at all in 1974 through 1977, 4 hours in 1978, and not at all in 1979. By contrast, Gard said, James Nebitz, who had no operators' experience prior to his marriage to a union officials' daughter on November 18, 1978, received "extraordinary treatment through the union referral system." Gard said that prior to June 1978, Nebitz had no hours in the union. From June 1978 to June 1979, he had 1500 hours. From June 1979 to June 1980, he worked more than 2,000 hours. From June 1980 to March 1981, he worked over 1300 hours. From March 1981 when his marriage ended in separation and divorce, he worked zero hours and never got another referral from the local.

Gard said that although Murphy finally won an employment discrimination lawsuit against Local 18, it took him 9 years of lost earnings—from 1973 to 1982—to do so, and that he was not sure the judicial remedy was totally effective. Gard said new Federal legislation was necessary to expedite requirements, including the attachment of recording devices to specifically designated dispatch telephones within union hiring halls so that it later can be determined whether a worker has been discriminated against. He said the NLRB's primary responsibility was to deal with collective bargaining and that "they have neither the resources nor the time to deal with the problems which are had by individual members who are discriminated against in referrals. These people need a remedy." Despite various safeguards of the court order in the Murphy case, such as a requirement that Murphy be able to inspect the out-of-work referral deck, Gard said he suspected that union officials were using their influence "which is quite large with contractors," to persuade contractors to request certain individuals, or not request certain others, for their jobs. Such "steering" of job referrals should be made illegal as well, he said. Gard also said additional safeguards would be necessary to detect individual abuses because within Local 18 alone, there were 14,000 to 16,000 members, each of them qualified to operate different kinds of machinery. "Therefore, unless we have complete oversight of the union, sheer complexity of the referral system makes it almost impossible to discover each individual abuse," he said.

Ervin Shimman, a veteran member of Local 18, said he, like Murphy, had become a victim of employment discrimination when he began criticizing the actions of Local 18 officials in the early 1970s. He said that although he had been in the union for 38 years, he had only attained pension contributions of $12,845 as of July 1, 1983. He said workers with only 16 or 17 years experience had two to three times his pension accumulations, indicating they work much more often. Shimann also said 2,000 favored individuals had been carried on the books as active members at a cost of $300,000 for the International per capita debt tax. Yet he said that any dissident who gets behind in his dues is expelled immediately. He cited the example of Robert Crockwood of Toledo, "who was expelled as soon as he got behind in his dues because he was a dissident."

Another abuse alleged by Shimann was that a 1982 Cadillac automobile was transferred to Earl Ervin, the outgoing business manager of Local 18, without notice or approval by the union membership. The transfer was documented at page 9 of Local 18's 1982 LM-2 report to the U.S. Department of Labor. The car's net book value at the time of transfer was placed at $20,281.

William Murphy reiterated his discrimination problems as described earlier by Gard, and, along with Shimann, expanded on Gard's apprehensions that the union was urging contractors to request operators favored by union officials. This was now "open to extraordinary abuse," Murphy said. Murphy and Shimann said that in the spring of 1983, Rollo Zoll was referred as a master mechanic on the Tibitz Co. job at Lima, Ohio. However, the union mounted and extensive campaign to discredit Zoll and to get the employer to name Bob Hedges as master mechanic. Zoll angered the union by refusing to get the contractor to request favored operators for the Tibitz job, Shimann said. The company held fast in this case and retained Zoll. Continuing on the subject of "steering," Murphy said that at pre-job conferences, the union agents talk to the contractor, "and it just happens that their supporters happen to get these jobs." But Murphy said that on a recent trip to the union hall, he observed that an individual who was out of favor with the union leadership was not referred although he was specifically requested by an employer. On other matters, Murphy testified that he had been fined and suspended for his dissident activities and had twice been physically beaten by the union leadership.

RECOMMENDATIONS

Based upon a review of the 10 days of hearings concerning the practices of several local lodges of the International Brotherhood of Boilermakers and the International Union of Operating Engineers, the Committee's majority staff makes the following administrative and legislative recommendations:

1. The Boilermakers Union has included in its collective bargaining agreements a requirement that only individuals who possess 8,000 hours in the trade or have completed an apprenticeship program can be placed on the out-of-work list, be referred for work and paid at the journeyman rate. According to the union's own documents, this standard was adopted by a majority of Boilermaker locals to ensure a minimum level of competency in the trade. Nonetheless, individuals who do not possess these qualifications have been referred for work as journeymen. At the same time, union members out of favor with the union leadership have had the rules applied strictly and have not been referred despite their qualifications. Efforts should be made to ensure that qualification standards are imposed uniformly and are not manipulated to punish dissidents or protect local leadership.

2. Employers associated with electric utility or government construction projects should pay workers in accordance with collective bargaining agreements when such an agreement exists: to violate the agreement is to overcharge the ratepaying consumer or taxpayer.

3. Legislation is needed to require contractors to certify that workers are qualified for the journeymen positions to which they are referred in the nation's key industrial facilities. The current referral process, in which qualification records are not always kept, is tantamount to a state police Department issuing driver's licenses without proof of a driver's test or a university graduating an engineer without proof that he or she passed calculus. Must we wait for a major accident caused by a bad welder doing a bad weld before we take the necessary action to ensure the public safety?

4. The welding tests administered to Boilermakers by their employers are subject to compromise. For their own protection, employers should be more vigilant to police such tests and report any abuses to local authorities or, with respect to nuclear power plants, to the Nuclear Regulatory Commission. New legislation is needed to make test cheating or extortion to compel test cheating a Federal offense.

5. NRC should require all contractors at nuclear construction sites to institute positive photo identification systems to guard against cheating on welding tests.

6. Witnesses at the Boilermaker hearings documented several instances of illegal Boilermaker membership sales; the union itself reported such sales of fraudulent books by a person not affiliated with the Boilermakers Union. The fact that such an imposter could operate illustrates the existence of a market for the illegal sale of Boilermaker books. The FBI should expedite its current investigation of such illegal practices, which constitute the first link in referrals of unqualified persons to construction jobs.

7. The Department of Labor should investigate allegations regarding forced contributions to a Boilermaker Union "vacation fund" which are allegedly lent back to union members at 18 percent interest.

8. A broad pattern of corruption including extortion, payroll padding and job discrimination has occurred in Operating Engineers Local 406 in Lake Charles, La. The Department of Justice should expedite its efforts to bring these matters before a Federal grand jury for disposition.

9. A pattern of job discrimination exists in the locals of the Boilermakers and Operating Engineer Unions that were investigated by the Committee. Present law is not adequate to combat these abuses. The Committee should consider legislation to permit a more rapid and effective remedy to hiring hall discrimination. In the meantime, the National Labor Relations Board should make sure that allegations concerning union hiring hall discrimination in Cleveland and Pittsburgh are not summarily dismissed but are reviewed in accordance with established Board procedure.

SOVIET FORCED LABOR AND THE HELSINKI FINAL ACT

Mr. HATCH. Mr. President, 9 years ago today the leaders of 35 nations gathered in Helsinki to sign the Final Act of the Conference on Security and Cooperation in Europe. In placing their signatures on this document, known commonly as the Helsinki Final Act, these leaders pledged that their respective states would respect human rights and fundamental freedoms as well as promote the effective exercise of civil, economic, social, and other rights. These rights and freedoms were viewed as deriving from the inherent dignity of the human person.

It is unfortunate that, 9 years after this momentous occasion, these words have not been made the basis for laws and policies in some of the states whose governments promised to implement and comply with the provisions of the Helsinki Final Act. In the Soviet Union, for example, these words are blatantly disregarded as an estimated 4 million Soviet citizens are forced to labor under harsh and degrading conditions in a system of at least 1,100 labor camps. The Gulag network in the U.S.S.R. is by far the largest such forced labor system in the world and is the home for a minimum of 10,000 political prisoners.

The conditions under which forced laborers must live and work are almost beyond comprehension. The cells are terribly overcrowded, with only a bucket to serve as a toilet. There is very little heating in the prisons, even during the coldest of the Siberian winter months, and, as clothing is strictly limited by the camp authorities, warm clothing is virtually nonexistent. Food rations are used as forms of punishment. At the slightest sign of disobedience, the regular diet, itself grossly inadequate, can be reduced even further, literally starving the prisoner into total submission. The legally permitted food packages from family and loved ones back home are often withheld in the case of political prisoners. And health care, which obviously is very much needed under such grueling living conditions, is all but unknown.

These camps serve two purposes. First, they serve to isolate and punish those who dare to exercise the right guaranteed in the Helsinki Final Act, "to know and act upon their right." Second, they serve to maintain and perpetuate the economic system of the U.S.S.R. It has been stated by many former prisoners of the Gulag that nearly all sectors of the Soviet economy rely on forced labor in meeting the specified quotas demanded by the central planners. The forced laborers are given the work that other workers, no matter what the incentives, have no desire to do. Thus, Mr. President, in the freezing Siberian wilderness, forced laborers are felling timber or laying pipelines while in nearby camps others are manufacturing the wood into lumber or furniture, often losing fingers or entire hands while working the dangerous and unsafe machines. Still others are cutting glass for chandeliers and other elegant glasswares for export to the West, breathing in glass dust and spitting out blood in the process. All of this goes on daily in the "workers' paradise."

Mr. President, it is a tragedy and a disgrace to humankind that the Soviet forced labor system exists in today's world. Freedom from slavery in all its forms is the oldest human right recognized by the international community. Soviet utilization of forced labor violates the U.N. Charter, the 1926 Anti-slavery Convention and the 1930 Forced Labor Convention. It also stands in stark and malevolent contrast to both the provisions and the spirit of the Helsinki Final Act, whose anniversary we note today, and the Madrid Concluding Document, which was agreed to almost 1 year ago.

As a member of the Commission on Security and Cooperation in Europe, I consider it sad but nevertheless appropriate to commemorate the anniversary of the Helsinki Final Act by noting the plight of those who must live, and often die, in Soviet labor camps. The Final Act has made such human rights concerns a legitimate topic for discussion among states, and as long as its provisions remain unfulfilled, we must let the Soviet Government know that we find forced labor and other human rights abuses reprehensible. The Helsinki process has given the international community the opportunity to do just this. Not to speak out on behalf of those who are being denied their fundamental human rights would make us not-so-innocent bystanders to such actions.

TOO MUCH GLOOM AND DOOM ON FUTURE

Mr. HATCH. Mr. President, on several occasions in recent months, I have used the floor of this Chamber to call to the attention of my colleagues the often unnoticed but, nevertheless, steady and relentless effort on the part of those who would control the impressionable minds of schoolchildren by placing before them instructional materials which are designed to destroy their value systems, instill fear in their very survival, and project for them a future of chaos and calamity.

I would remind my colleagues that on July 20, 1983, I sounded another alarm concerning the status of education by calling your attention to the curriculum on nuclear destruction, called choices, developed by the National Education Association and surreptitiously, it seems, introduced into the classrooms of the Nation by association members. On that occasion, Mr. President, I expressed great concern about the tone of letters children, worried about their chances of survival, were writing to President Reagan.

Again in April of this year, I spoke to this body on the provocative editorial written by Morton Kondracke that appeared in the Washington Times on April 5, 1984, expressing Kondracke's apprehension over indoctrination of children by the writers of children's books which tell them that to defend one's patriotic values "* * * is stupid, bigoted, and dangerous to living things."

On Sunday, July 22, 1984, the New York Times carried an article by Mr. Albert Shanker, president of the American Federation of Teachers, titled "Too Much Gloom and Doom on Future." In his illuminating statement, Mr. Shanker describes the role the textbook can and does play in creating either optimism or pessimism in children irrespective of the subject matter it covers. Mr. Shanker cites a number of studies and reports which clearly indicate that many textbooks and other materials being used in the classroom, many of which are teacher produced, are causing clouds of pessimism about the future to hang heavily over the heads of the high school students of the Nation.

Mr. President, Albert Shanker's message is a very powerful one. In my judgment, Mr. Shanker rightly asserts that the "* * * global pessimism of these textbooks sends students the wrong message about their country."

Mr. President, I have known Mr. Shanker for several years. He has provided the Senate Committee on Labor and Human Resources, and some of our subcommittees, with invaluable testimony on a number of important issues in education. Dr. Shanker's statement in the New York Times on Sunday, July 22, 1984, is an important message and an excellent example of his wisdom and foresight where education is concerned. I want to personally commend him for the commitment he has made to do all he can to keep the classroom of the Nation free from destructive influences and biased materials.

His is a message that should be widely read and discussed by parents and others interested in the perfection and perpetuation of the American way of life. For that reason, Mr. President, I ask unanimous consent that the full text of Mr. Shanker's statement be printed in the RECORD.

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

[From the New York Times, July 22, 1984]

TOO MUCH GLOOM AND DOOM ON FUTURE

(By Albert Shanker)

What people think makes a difference in how they act. The philosopher William James used the example of someone hang-

ing onto the edge of a cliff. If the person is an optimist or has at least some faith, he may well hang on long enough for rescuers to come. If, on the other hand, he feels all is hopeless, that he is doomed no matter what, he may well let go too soon—just before someone comes to save him.

Our schools play a role in creating optimism or pessimism. In addition to teaching math, English and other basics, schools—in social studies, science and other classes—give children a vision of the future. If that vision is unrealistic in either direction—overly optimistic or overly pessimistic—students may well grow into adults who sit on their hands and do nothing. If it's overly optimistic, they may think there's nothing they have to do; if it's too pessimistic, they may think there's nothing they *can* do—and, like the hopeless cliffhanger, they may just give up. What have our schools been teaching children about the future?

Well, mostly they've been reflecting the larger society. During the last few decades the American public has been given a very pessimistic view of what the future holds. There have been best sellers devoted to the rapid destruction of our environment. There have been books, magazine articles and television shows devoted to the depletion of vital energy and mineral resources and predictions of massive starvation resulting from world population growth. For the most part, only one side of the argument has been made, that side. Sure, there's usually someone who disagrees, but that someone is portrayed as representing a special interest whose goal is to exploit nature to make a fast buck now. All of this has had an enormous impact on the curricula of the schools. Nothing is more "relevant," interesting or exciting than for teachers to gather these exposés and make this generally accepted wisdom the basis for teaching the daily lesson in science or social studies.

Of course, there's no doubt that we did neglect to take care of our environment, and much of the emphasis on the effects of pollution, of chemicals in food, of problems with waste disposal has resulted in necessary corrective steps. But, one of the results of this recent teaching has been to create a pessimistic bias in many textbooks and courses. The late Herman Kahn, founder of the Hudson Institute, one of America's most important think tanks, was shocked by what he called the "cloud of pessimism" hanging over our high school students and the nation.

The institute examined 63 basic high school textbooks published since 1962 to see how they dealt with questions of population growth, environment, natural resources and economic development. (The study formed the basis of *Why Are They Lying to Our Children?* by Herbert I. London, director of the Hudson Institute's Visions of the Future program, which seeks to present students and teachers with a more balanced view of the world's problems and America's role. It's just been published by Stein & Day, Briarcliff Manor, N.Y.) The study found "an astonishing amount of misinformation and sloppy writing," contradictions, a "lack of objectivity" in textbooks—and that they were clearly aimed at changing student attitudes and behavior in one direction. One text, published in 1981, presented this apocalyptic vision: "You may have heard about the 'four giant horsemen' galloping across the face of the earth. One stands for Famine, the second for Disease, the third for War, and the fourth for Death. Today, these four giant horsemen are galloping more swiftly than ever before. But many, many others still do not see the danger."

According to Jane Newitt, director of demographic studies at the Hudson Institute, writing in the January 1984 issue of *Social Education*, "A reasonable desire—to impress students with the magnitude of the world's problems—has been pushed to the point of substituting indoctrination for substantive instruction." Newitt says the doom and gloom books are so intent upon making their points that they fail to mention the vast increases in per capita income since 1960 in the countries with 94 percent of the world's population, or the huge increases in life expectancy. The population is said to be growing faster and faster, but few books mention the fact that the population growth rate peaked nearly 20 years ago and has been declining ever since. The books predict massive famines—but fail to report that world food production has outpaced population growth for three decades. Of course, there are people starving, but not because there's not enough food. The reason is the political problem of how to get the food to those who need it. If we don't tell that to students, their efforts are going to be focused in the wrong direction.

Newitt demonstrates that there's a clear political and moral message in these books. "We" are responsible because we are eating, wasting and consuming to much. That's why "they," the have-nots, are deprived. "Thirty-one textbooks allude to looming ecological catastrophes of global proportions. Invariably, it is 'especially affuent human beings like the Americans' whose profligate and irresponsible consumption threatens 'to make the earth unlivable' and accounts for the plight of the Third World's starving masses. What is relatively new," she writes, "is the intrusion of this moral mission into the traditionally dry matter of textbooks." It is "ideology," she says, "and rigid. By placing students on the morally reprehensible side of the 'gap,' it denies legitimacy to their competitive spirit and their desire for the life-enriching experiences money can buy."

More important, the global pessimism of these textbooks sends students the wrong message about their own country. Newitt says there is no reason to believe American students would become complacent about the world's problems "if they were encouraged to view themselves as part of the spectrum of nations—and as a part that makes many contributions to the betterment of the whole."

AMERICAN COPPER INDUSTRY—STATE OF CRISIS

Mr. LONG. Mr. President, on many occasions in the past I have risen to address the particular problems of America's energy industry. I will continue to express these concerns in the future but today I want to ask the Senate to consider the plight of the copper industry.

The American copper industry is in a state of crisis. Thousands of Americans have lost their jobs because of unfair foreign competition that is destroying the domestic copper industry. Ironically, American dollars helped create this crisis and continue to perpetuate it.

I invite the attention of my colleagues to the facts outlined in the remarks on this subject delivered recently by J. Hugh Liedtke, chairman and chief executive officer of Pennzoil Co. to that company's shareholders. Mr. Liedtke's remarks are particularly timely in the light not only of the recent finding by the U.S. International Trade Commission of serious injury to the domestic copper industry, but also in light of the hearing on financial assistance to copper exporting nations scheduled tomorrow by the International Economic Policy Subcommittee of the Committee on Foreign Relations. I ask unanimous consent to insert in the CONGRESSIONAL RECORD a copy of Mr. Liedtke's speech.

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

COPPER IN CRISIS

Time is running out, too, in terms of taking effective action to halt the destruction of America's copper industry. And "destruction" is not too strong a word. Last year and the year before, the copper industry was forced to shut down mine after mine after mine, and lay off nearly half its work force. Why? Because the world is awash in copper, copper churned out by producers in Chile, Peru, Zambia and Zaire which are flooding the market and causing prices to collapse. Primarily, these are state-owned mines that produce, not in response to demand, but in order to keep their workers employed and to earn foreign exchange. Many, if not most, operate at a deficit. They can operate at a loss because of a steady infusion of cash and credit from international lending institutions like the International Monetary Fund (IMF) and the World Bank. These lenders are supported by American tax dollars, so you and I are helping pour billions of dollars into Third World countries that use these funds to prop up their deficit-ridden industries which are destroying our own.

There have been some half-hearted attempts to limit or condition America's support. But they are far too little, in view of the dimensions of the problem. About 40 percent of world copper capacity is in the hands of these state-owned foreign mines, and the aid they're receiving is enormous. Last year alone, Chile received authorization for $550 million in standby credit from the IMF, and then an additional $308 million, also from the IMF, and then an additional $268 million loan from the Inter-American Development Bank—all to increase copper production at a time when world copper demand was at a low and the world already awash in copper. I ask, does this make any economic sense? Is there any soundness, any "rightness," any integrity in this? I contend the answer is, none whatsoever.

Nor is the banking industry totally blameless in this regard. The policies of the Federal Reserve, in turning a blind eye on the actions of some large multinational banks, contribute to the already grave situation. Many of these banking institutions piled bad loan upon bad loan, helping debtor nations meet the interest payments on loans which would never have been made to the private sector in this country. Billions of dollars have gone into these loans, which are nonperforming or, in any event, can perform only if the banks lend still more funds.

There is a growing suspicion in some quarters that the rise in interest rates, at a time when banks are awash in money, is intimately tied to a desire to replace losses in profits caused by sour loans. When the banks grant loans to countries where they would not ordinarily be justified in order to receive abnormally high interest rates, the risk is obviously very high. Now the banks want to share that risk with the American public. And so interest rates creep upward, affecting American business across the board. Ultimately, every American consumer pays the price.

It is a complicated set of problems, and I only give you the highlights. For the copper industry, the bottom line is survival. Thousands of American copper miners have lost their jobs. A key American industry, which produces a vital natural resource, and is without equal in terms of efficient use of men and materials, is nonetheless fighting for its life in a global game without any rules.

The copper industry is fighting back, as you may know, seeking relief in terms of import quotas. This relief, while needed and deserved, can only spell a temporary solution. The fundamental problem remains, and it is not solely confined to copper. Other basic American industries face similar threats. Temporary relief for copper will only beg the central question, which has to do with America's support of lending institutions that undercut its own industries.

Our elected leaders must carefully examine the soundness of such policies. Our essential domestic industries don't want protection, as such. They don't want to be coddled, but at the same time they don't want to be crucified."

MURFREESBORO VA MEDICAL CENTER NAMED IN HONOR OF SERGEANT YORK

Mr. BAKER. Mr. President, I am proud to support the legislation which will name the Veterans' Administration Medical Center in Murfreesboro, TN, in honor of the late Sgt. Alvin C. York.

For his outstanding combat heroism during World War I, Sergeant York was awarded the Congressional Medal of Honor, the French Croix de Guerre, and the Tennessee Medal for Valor. Sergeant York is one of Tennessee's most prominent heroes and an illustrious veteran all Americans can admire. The fine Murfreesboro medical facility will provide an appropriate and long-overdue memorial to Sergeant York and all brave veterans who have given their talents in the defense of our Republic and the freedoms we cherish.

TURKEY-CYPRUS AMENDMENT

Mr. PRESSLER. Mr. President, an important provision of S. 2582 seeks to advance the long and difficult effort by the United States to achieve a just and peaceful settlement on the island nation of Cyprus. The provision has two features. It restores the traditional 7:10 ratio in U.S. military aid to Greece and Turkey and it links Turkey's MAP program—the all-grant component of the $715 million military aid package—to a Presidential certification that the coastal city of Varosha has been returned to the Government of Cyprus under U.N. auspices for the immediate resettlement of Greek Cypriot refugees. This provision was endorsed by the Foreign Relations Committee by a large margin of 12 to 6. I believe it deserves an equally strong endorsement by the entire Senate.

Consideration of this provision comes within days of the anniversary of the Cyprus tragedy. Ten years ago, Turkish troops invaded the island after a Greek-engineered coup temporarily ousted the government of Archbishop Makarios. Many Senators are familiar with the sequence of events since the 1974 invasion. Suffice it to say, the occupation of the northern third of Cyprus by Turkey continues to this day. Adoption of this provision is necessary, if there is to be hope of reunifying the island of Cyprus in the near term.

U.S. aid to Turkey can provide effective leverage for resolving the Cyprus problem. Unfortunately, the fiscal year 1985 aid request provided no positive incentives for Turkey to make progress on Cyprus. Instead, by increasing total aid levels for Turkey beyond the 7:10 ratio, the foreign aid request removes our ability to send a firm and clear message to Turkey. Such a message is vital at this time, given the November 1983 declaration of statehood by the Turkish Cypriots and the worsening situation caused by this action. This provision reintroduces into this year's aid program the widely held American view that there should and must be movement toward a Cyprus settlement.

The administration responded correctly last November when Mr. Denktash declared the "independence" of the occupied north of Cyprus. The administration, and many of us in the Senate, deplored that act and expressed our deep regret and dismay that this unilateral act would set back the delicately constructed intercommunal talks. This situation must not be ignored in the fiscal year 1985 aid request for Turkey. It is unacceptable that Turkey should be rewarded with an increase in aid in spite of the unresolved and serious difference between our Government and theirs over Cyprus.

Some people claim that the Turkish Government cannot control the actions of the Turkish Cypriot community. These claims are made despite the fact that Turkey occupies Northern Cyprus and provides critical financial support to the Turkish Cypriots.

It is difficult to believe that the Turkish Cypriots are independent from Ankara and act as totally free agents. We should note that Turkey today is the only country to recognize this so-called Turkish Republic of Northern Cyprus, and it is through that recognition that Mr. Denktash has tried to legitimize and expand the international contacts of the Turkish Cypriot community. Turkey alone is capable of exerting truly meaningful pressure on the Turkish Cypriots. Turkey holds the key to any movement to a Cyprus settlement because of the close ties to the Turkish Cypriots and because the presence of their troops—about 20,000—constitutes one of the main obstacles to a settlement. So while the linkage between Turkey and the decisions made on Cyprus may be less than complete, that linkage may be our most effective vehicle for settling the Cyprus conflict.

Let us return to the actual features of the committee-adopted provision. There should be little controversy about its first feature, since the tradition of granting military aid to Greece and Turkey on a 7:10 basis has been the practice of Congress for several years, and corresponds with section 620(C) of the Foreign Assistance Act, which calls for maintaining the present balance of forces in the eastern Mediterranean. In past years, Congress has had to act to restore this ratio. The ratio demonstrates the U.S. commitment to keep a balance in military ties to Greece and Turkey. I trust Senators will support maintaining this standard. It has become a symbol of American intentions to remain even-handed and the present Greek Government, faced with considerable pressure from anti-American element in the country, would be placed in an extremely difficult position if this balance were not maintained.

The second part of this committee provision, pertaining to Varosha, is in some ways more important. It links Turkey's MAP grant program of $215 million, to the return of Varosha under U.N. auspices to the Government of Cyprus. We consider this to be a positive approach for several reasons. First, it provides Turkey with an opportunity to follow through on a position it supports and, in the process, to receive the all-grant portion of its military aid package. Turkey is not punished but rewarded for following through on a proposal it has endorsed in the past. Turkey has supported the idea of transferring Varosha to interim U.N. administration. This provision does not ask Turkey to act contrary to previously stated Turkish policies.

This approach is also consistent with the position previously adopted by the Turkish Cypriot leadership. In November 1983 and again on January 2, 1984, Mr. Denktash stated that the return of Varosha could provide a way to break through the current stalemate. The committee bill merely encourages and strengthens the Turkish Cypriot proposal. Third, the return of Varosha can have a real spillover effect in re-

solving the wider differences which divide the two communities on Cyprus. Settling this one key issue can have the psychological benefit of propelling the resolution of other major Cypriot issues.

So much of the Cyprus problem relates to simple basic human values. That's why the Varosha proposal has such promise and potency. It has become the symbol of the desire to return to one's former home after the terrible human displacements that occurred in 1974, affecting such a large percentage of the total Cypriot population. Varosha is the 20th century town adjoining an ancient coastal city Famagusta—an area of important economic and tourist potential for Cyprus. Famagusta had some of the island's best and newest hotels, primarily Creek Cypriot owned, when the war of 1974 broke out. The city remains abandoned. That area has come to symbolize the tragic economic and social consequences of the island's division.

Previous statements by the Turkish Cypriot leadership indicate that they understand the importance of this area in a settlement for Cyprus. The issue of Varosha has always been one of the four major agenda items in the intercommunal talks which have convened intermittently since 1976. On several occasions, Mr. Denktash offered to return Varosha even prior to the resumption of the talks. In the months since the November declaration of independence, Mr. Denktash has repeated this offer. Unfortunately, Mr. Denktash began to backtrack on his proposal by reducing the size of the sector in Varosha he would be willing to turn over to the United Nations. In recent weeks, when discussions with the U.N. Secretary General reached a critical point, he has added other strings as well.

The Pressler-Biden amendment would be unnecessary if the Turkish Cypriots and Secretary General de Cuellar had reached a satisfactory arrangement on the transfer of Varosha to interim U.N. administration. This action would have been a real breakthrough on the road to reunification—a process that is essential if the integrity of the Republic of Cyprus is to be preserved. In the absence of such action, this amendment remains necessary. It sends a clear message to Turkey about issues that can improve our bilateral relationship.

We are willing to respond to Turkey's legitimate defense needs. And, Turkey remains a vital element in NATO defense. But Turkey's willingness to cooperate on issues of mutual concern, including Cyprus, are a critical measure of United States-Turkey cooperation. This provision provides a clear signal of the priority the Senate attaches to the resolution of the Cyprus situation. I urge all Senators to vote to sustain the Foreign Relations Committee's judgment on this measure.

Mr. President, I ask unanimous consent that my Dear Colleague letter on this subject be printed in the RECORD.

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

AUGUST 1, 1984.

S. 2582, FOREIGN ASSISTANCE AUTHORIZATION
TURKISH MILITARY AID

DEAR COLLEAGUE: U.S. policy toward Cyprus, Turkey and Greece is not a partisan issue. A 12-6 bipartisan Foreign Relations Committee majority approved an amendment retaining the traditional 7:10 Greece/Turkey military assistance ratio and linking U.S. grant military aid to Turkey to progress toward a settlement of the Cyprus conflict.

Members of both parties on the House Foreign Affairs Committee also led an effort in the House to reduce requested FY 1985 military assistance to Turkey. Thus, both Republicans and Democrats in both houses support using our military aid as leverage to encourage greater Turkish cooperation in moving toward a negotiated settlement of the Cyprus problem.

The reasons for doing so are clear. First, Turkey supported the illegal secession of Turkish Cypriots and is the only nation to recognize this renegade state. Second, each year before Congress votes on hundreds of millions of dollars in military aid to Turkey, that nation tries to demonstrate that it is sincere about making progress on the Cyprus issue—and each year, after Congress makes such appropriations, Turkey has backed away from meaningful efforts to resolve the Cyprus problem.

With the Turkish aid limitations included in S. 2582, Turkey would still receive entirely adequate U.S. military assistance. But until Turkey fulfills its promises of the past ten years regarding Cyprus, it should not receive more. This is not a punitive measure. It should be seen as an effort to reward Turkey if Turkey will take appropriate actions concerning the Cyprus conflict.

Turkey has indicated it will participate in Cyprus talks next week under the auspices of the U.N. Secretary General. In view of this development, it would be appropriate to defer consideration of any change in the Committee bill relating to Turkey until the sincerity of Turkish involvement in those talks can be fairly assessed.

Sincerely,

LARRY PRESSLER,
U.S. Senator.

HELSINKI, BONN, AND BERLIN

Mr. LEAHY. Mr. President, today we commemorate the ninth anniversary of the signing of the Helsinki Final Act by 33 Europeans nations, the United States, and Canada. The Helsinki Final Act, with its compelling language on human rights and humanitarian cooperation, became a symbol of hope for the oppressed peoples of Eastern Europe and the Soviet Union.

That language includes pledges by participating States to facilitate freer movement and contacts among people across national borders. The Final Act envisions a Europe in which spouses are no longer separated, children and parents no longer divided, all people are free to travel and to visit friends and family or to love in the country of their choice. Indeed, tens of thousands of people seeking to emigrate from Eastern Europe and the Soviet Union have already benefited directly from the human contacts provisions of the Helsinki accords. The current situation between the Federal Republic Germany and the German Democratic Republic is an example of the benefits Helsinki can reap.

Mr. President, today we are witnessing a shift in relations between these two countries—a cooperation and communication not seen before. As part of their increase in cooperation, which includes significant economic assistance from West Germany to East, over 24,000 men, women and children have been allowed to emigrate this year from the German Democratic Republic. This figure represents the highest annual emigration rate since the erection of the Berlin Wall 23 years ago. In addition, almost one third of the dreadful automatic firing devices, developed to discourage illegal emigration to the West, have been dismantled. Travel and visitation restriction have been eased. Time periods governing such movements have significantly increased and exchange rates have been reduced a full third.

We welcome these positive gestures as illustrations of the kinds of actions called for in the Helsinki Final Act and the Madrid Concluding Document.

Although positive steps have been taken by the East German Government, much remains to be done there. The GDR has continued to restrict the fundamental freedoms of thought, conscience, religion and belief among its people. The activities of the Ministry for State Security's secret police are pervasive. Operating above judicial controls, the police do not hesitate to install listening devices, open private mail and observe or interrogate whomever they choose.

The number of uniformed police and plainsclothes Ministry for State Security officers patrolling the areas around many Western Embassies has increased, serving to intimidate, and at times, prevent visitors. East German pedestrians near Western missions may be questioned by police without cause. Many East German visitors have their ID's checked by the authorities and are detained for questioning after departing Western missions. These actions are in direct and blatant violation of the pledge, made at Madrid, to facilitate access of foreign missions, and suggest a disregard for both the Helsinki and Madrid human contacts provisions.

Mr. President, the contrast that these recent GDR actions present

should not go unnoticed. While we recognize improvements, we must not hesitate to criticize those aspects of policy which run counter to the principles and provisions of the Final Act. We should not shy away from condemning human rights abuses nor should we refrain from welcoming and encouraging positive steps. In the GDR today are excellent examples of Helsinki pledges realized, yet, at the same time, there are also demonstrations of promises flouted. We must strive to ensure that more promises are fulfilled than hopes dashed.

In commemoration of the ninth anniversary of the Helsinki Final Act, let us reaffirm our own dedication to the principles embodied in that document and our determination to work toward full implementation in all signatory nations.

THE CARIBBEAN CONFERENCE AT THE UNIVERSITY OF SOUTH CAROLINA

Mr. THURMOND. Mr. President, the University of South Carolina recently hosted a major conference of nations from the Caribbean Basin. This landmark event was an historic occasion not only for the university, but for the State of South Carolina and the entire Nation. Indeed, this conference symbolized the United States commitment to our friends in this important region of our hemisphere.

As a gesture reaffirming our friendship with our neighbors to the south, President Reagan attended this conference on July 19, 1984. I was pleased to encourage the President to participate in this meeting, and his presence served to strengthen our alliance with the Caribbean states.

Mr. President, University of South Carolina President James B. Holderman is to be commended for his leadership, initiative, and hospitality in hosting this productive forum. All of those associated with this event deserve recognition for their contributions in preparing for the conference, and their assistance proved to be an important asset.

Mr. President, in order to share more with my colleagues about the Caribbean Conference at the University of South Carolina, I ask unanimous consent that certain articles from major newspapers in my State be printed in the RECORD.

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

[From the Greenville News, July 11, 1984]

REAGAN WILL ATTEND CARIBBEAN MEETING AT U.S.C.

President Reagan will attend a meeting of Caribbean leaders sponsored by the University of South Carolina in Columbia July 19, his spokesman announced Tuesday.

Deputy White House press secretary Larry Speakes said the Caribbean conference was organized by the university "to strengthen the close ties among the Caribbean states."

He said the president was looking forward to "exchanging views on a wide range of subjects."

"The university is seeking to provide an informal, unofficial setting to permit full and frank exchanges on a wide range of matters affecting the Caribbean area," Speakes said.

The Caribbean leaders will organize the agenda for the meeting, and political, economic and security issues are expected to be discussed, USC spokesman Hans Knoop said.

About 18 heads of government or their representatives from independent nations and dependent territories from the Caribbean region will attend the meeting, USC President James Holderman said. The list of those attending has not been released.

Those invited were: Antigua, the Bahamas, Barbados, Belize, Dominica, the Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St. Christopher-Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

Also invited were Martinique, Guadaloupe and French Guiana, Anguilla, Bermuda, British Virgin Islands, the Cayman Islands, Montserrat, the Turks and Caicos Islands, the Netherlands Antilles, Puerto Rico and the U.S. Virgin Islands. Cuba was not invited.

July 19 is the last day of the Democratic National Convention. Asked whether it was appropriate for the president to be traveling during the convention, Speakes replied: "It is a rare, probably a first opportunity . . . and I think the American people, and I would trust some Democrats too, would like for the United States to be properly represented when so many heads of state from such a vital region are in our own country."

The president's visit will be his second to South Carolina in less than a year. Reagan was in Columbia last September, when he received an honorary degree from USC and spoke at a public convocation on campus.

On the day of his visit, he will attend a morning meeting with Caribbean leaders, and will speak at a "working luncheon," Knoop said.

Holderman said the meeting of Caribbean leaders, scheduled to begin Tuesday, "will be informal in style and format, but serious in purpose and content, as the Carribean leaders will discuss political, economic and security issues within the region, as well as relations with the United States and other nations."

The idea grew out of visits to USC within the past year of Jamaican Prime Minister Edward Seaga and Dominican Republic President Salvadore Blanco, Knoop said.

They, other Caribbean leaders, and the U.S. State Department encouraged the meeting, he added.

"We were told by several people around the region that a meeting of heads of government might serve as a catalyst to progress within the region as well as to new departures in Caribbean-American relations," Holderman added.

The meeting also will provide opportunities for bilateral discussions between nations, Holderman said.

Holderman noted that USC is involved in several joint ventures with Caribbean nations and universities, including the areas of marine science, tourism development, business and public administration, and public health.

[From the Greenville News, July 20, 1984]

REAGAN LAUDS INVASION OF GRENADA IN CARIBBEAN CONFERENCE SPEECH

COLUMBIA.—President Reagan patted himself and Caribbean leaders on the back Thursday for last year's invasion of Grenada while blasting the Soviet Union and Cuba for trying to undermine freedom in the island region and Central America.

Speaking to the Caribbean Leadership Conference at the University of South Carolina, the president zeroed in on the upcoming election in Nicaragua, calling it a sham orchestrated by the Communists.

"The Soviet bloc and Cuba have been committing enormous resources to undermining our liberty and independence," Reagan told the leaders of 15 Caribbean nations and territories attending the conference. "Nowhere is this threat more pressing than in Nicaragua, a country which today marks the fifth year of Sandinista dictatorship."

Reagan, in a speech covered by about 300 reporters at USC's Russell House, said the United States would "wholeheartedly welcome" democratic elections in Nicaragua.

"But no person committed to democracy will be taken in by a Soviet-style sham election," he said.

The Sandinistas, who control Nicaragua and are fighting U.S.-backed rebels, have promised to hold democratic elections, Reagan said. But he accused them instead of systematically setting up a dictatorship, while increasing their ties with Cuba and the Soviets.

Cuba was not invited to the session.

Trade, socioeconomic problems and security were the chief topics of discussion by those attending the three-day conference, most of which was behind closed doors.

Reagan met privately with the leaders for more than two hours before addressing the conclusion of a "working luncheon" covered by the press. The public, with the exception of the USC trustees and a few invited guests, were not allowed to attend the speech.

In his address, the president commended the Caribbean officials for their "courage and leadership" in helping turn back "the communist power grab" in Grenada last fall.

"We can be proud that, thanks to the unity and determination of our democracies, we saved the people of that troubled island," said Reagan. "We restored their freedom, we revived their hope in the future and we prevented the danger of turmoil from spreading beyond Grenada's shores."

Reagan aids stressed that the whirlwind trip to Columbia, the second the president has made in a year, was not a campaign stop.

But a confident Reagan took full advantage of the occasion to aim a few lightly-veiled shots at the Carter-Mondale administration, less than a day after Walter Mondale was selected as the Democratic nominee for president.

"Four years ago, economic prospects were bleak and the forces of tyranny were on the move, emboldened by what seemed to be a paralysis among the democratic peoples of the hemisphere," said Reagan. "But, by joining together with courage and determination, we've turned that situation around."

Reagan also lauded his Caribbean Basin Initiative, a package of economic incentives intended to spur growth in the region.

"It encourages job-creating business investment for growth and prosperity," he said.

Dominican Republic President Jorge Blanco, who spoke before Reagan, said most Caribbean nations support the CBI. But he said some countries in the region confront such severe economic realities that it will be difficult to stimulate the desired growth.

Reagan's visit was a tightly controlled event from the time Air Force One touched down at 10:25 a.m. at the Columbia Metropolitan Airport until it departed for Washington about 3 p.m.

There was no public access to the president, although scattered crowds waved as Reagan's motorcade sped toward the USC campus. Several people held signs aloft as the motorcade neared Russell House. One read: "Democrats for Reagan" while another said: "Good Job in Grenada."

About 200 people cheered as the motorcade neared Russell House, but later several dozen demonstrators showed up with signs protesting U.S. involvement in Grenada and Central America.

"Reagan, Reagan you can't hide. We charge you with genocide," chanted the demonstrators, who were held back by security forces more than a block from the meeting site. One Reagan supporter nearby counter-chanted his support for the president. One young man held aloft a small sign describing Mondale as a "pinko."

Running 25 minutes behind his scheduled departure time of 2:20 p.m., Reagan, in a tightly-sealed limousine, whizzed past a band of fans who'd been waiting patiently in the hot sun at the Columbia airport.

Earlier, as the well-wishers stood silently behind yellow ropes, keeping them far from the runway, a group of security men chuckled when asked if the president would stop to chat, "No ma'am," said one state trooper. "Last time he did that, all hell broke loose," he added, referring to the assassination attempt on Reagan in Washington. "He ain't gonna do that again."

All day Thursday, the airport was shrouded under heavy security, including police dogs that patrolled the landing strip.

As the blue and white jet touched down at 10:25 a.m., a smiling Reagan strode down the airplane steps and into the presidential limousine.

He was followed by U.S. Sen. Strom Thurmond, and Republican Congressmen Tommy Hartnett and Carroll Campbell.

Campbell was in the state earlier this week, but flew back to Washington to fly down with the president.

[From the (Columbia, SC) State, July 18, 1984]

CARIBBEAN CONFERENCE SIGNIFICANT, HISTORIC

The conference of leaders of 15 Caribbean states at the University of South Carolina this week is an historic first, which is surprising, for we would have assumed common concerns had brought them together long before now.

For the university, of course, it is also an historic occasion. USC, under the administration of President James B. Holderman, has entertained many outstanding international figures for which it is achieving widespread recognition.

But never before have so many nations been represented at once here. They honor South Carolina, the university and Columbia with their presence. The State welcomes them and wishes for them a fruitful meeting.

Although not so powerful as those nations whose meetings are called "summits," a term which presumes there is nothing higher than the attending heads of state, the Caribbean states' conference in the United States is significant in its own right.

For too many years, the United States has ignored the interests of nations to the south, or disregarded their strategic importance to our own long-range security and interests. Recent events in Central America, however, have compelled our attention and involvement. Even today, political processes are at work in this country to determine the extent of our involvement in Central America.

The Democrats' convention in San Francisco grapples with proposals to ban American military involvement in Latin America. Had such a policy been in effect the United States would have been forbidden to send troops to Grenada, where Cuba sought to expand its Marxist influence. Thanks to the encouragement of Jamaica's Prime Minister Edward P.G. Seaga and other Caribbean leaders, the United States joined their forces in liberating Grenada, a welcome assertion of power.

And tomorrow, President Reagan will underscore the Administration's concern for good, workable relations in the Caribbean by speaking to the conference here. He has sent key officials to take part in the meetings today and tomorrow to further his recent Caribbean Basin initiative.

As it is with such meetings, any real assessment must await the outcome, but observers do not expect any monumental decisions. The fact of the conference, however, is most significant for the region and the United States' interests there.

[From the Greenville News, July 21, 1984]

USC PROVIDES FORUM

The University of South Carolina's sponsorship of the meeting of 15 Caribbean heads of state in Columbia was an admirable stroke.

The academic setting provided a relaxed forum allowing needed give and take between U.S. officials and the Caribbean nations targeted for economic aid.

Perhaps such a dialogue could have been accomplished in more formal diplomatic meetings, but USC accomplished a real coup in organizing the conclave, which was the first time most of the conferees had assembled to discuss their problems.

In the process, some needed and welcomed criticism—as well as praise—was provided by the intended recipients of the Caribbean Basin Initiative. That's the package designed to build the region's economy by encouraging exports to the United States through duty free guarantees while encouraging U.S. investors to build plants there.

A major USC contribution was fostering within the recipients an awareness that the United States really cares about elevating their economic prosperity. That message was conveyed by attracting such high officials as President Reagan and U.S. Trade Representative William Brock.

Adding to this was South Carolina's historical ties to the Caribbean, an intermix of economies and families dating to the colonial era.

The meeting ended with the certainty that the Caribbean Basin Initiative was not perfect, but that questions and criticisms raised at USC had reached the highest levels of U.S. government.

THE SOUTH CAROLINA FAMILY OF THE YEAR

Mr. THURMOND. Mr. President, the institution of the family has been one of the most significant factors contributing to a stable society. The family unit provides a solid foundation upon which one develops a basic understanding of responsible community life. It is within the family that one learns of love, commitment and unity, and the importance of values, morals, and faith.

Therefore, it is appropriate to acknowledge those outstanding families who have made a strong commitment to this vital institution as well as positive contributions to society, since they provide a model embracing honest, traditional values.

Recently, the South Carolina Family of the Year State Selection Committee met and chose the Roy Nichols family of Pelion, SC, as the 1984 South Carolina Family of the Year. The committee based its decision on family unity and contributions to the community.

Mr. President, Roy and Ruth Nichols are to be commended for the fine example that they set not only for their neighbors and friends, but for the entire State of South Carolina, and, indeed, the Nation. Their selfless devotion to their community, as well as their love for their children and granchildren, deserve high praise.

The Nichols family will be honored in August at ceremonies at the South Carolina Statehouse, and the Governor's mansion. At that time, Gov. Dick Riley will proclaim the last week in August as "Family Week" in South Carolina.

In addition, nine other families were selected as Regional Families of the Year in South Carolina for 1984, and they deserve recognition as well: Lewis and Earlette Burdette of Greenville, George and Mary Marshall of Joanna, Fannie Flemming of Lancaster, Robert and Carolyn Garland of Jackson, S. Gaillard and Carrie LeNoir of Horatio, Jimmie and Billie Hardee of Darlington, Phillip and Shirley Anne Barnhill of Conway, William and Elaine Simpson of Charleston, and Marvin and Karon Kaye of Waterloo.

Mr. President, in order to learn more about the South Carolina Family of the Year, the Roy Nichols family, I ask unanimous consent that the following article be printed in the RECORD.

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

SOUTH CAROLINA FAMILY OF THE YEAR

The Pelion family of Roy and Ruth Nichols has been named South Carolina's Family of the Year.

The Nicholses, who were selected from among 10 regional winners, were chosen for the award by the State Family Week Committee. They will be honored Aug. 24 at a

news conference at which Gov. Richard W. Riley will proclaim the week of Aug. 27 as Family Week in South Carolina. The Nichols family will then be guests of honor at a luncheon at the Governor's Mansion.

The committee made its decision based on family unity and contributions to the community.

"It's just fantastic, just wonderful," said Mrs. Nichols shortly after being told of the committee's decision. "We are a very close-knit family. Also, we have always extended a willing and helping hand in our community. We didn't do this for any kind of honor, but rather to show our love."

The couple, who are active in community and church affairs, have two children and two grandchildren.

Benjamin Roy Nichols, a graduate of Newberry College and the University of South Carolina (USC), is a retired educator. He worked in the Newberry and Lexington counties' school system for 41 years, 25 of them as principal of Pelion High School. He is a member of the American Legion, Lexington County Historical Society, Pelion Ruritan Club and Holy Trinity Lutheran Church.

Mrs. Nichols also graduated from Newberry College and USC. She served her community as an educator for 36 years; 32 years as a teacher, guidance counselor and librarian and four as principal of Pelion High School before retiring. She is also involved with her church, the Lexington County Cancer Society and the South Carolina Lung Association.

The eldest child, Jean Nichols Haggard, is assistant principal at Lexington High School. Married and the mother of two children, Jean kept up the family tradition by earning a bachelor's degree from Newberry College and then a master's degree from USC.

The Nichols' son, Hugh, graduated from Newberry College, where he was active in intramural sports and the Alpha Tau Omega Fraternity. He is employed with a real estate company in Myrtle Beach.

The family was chosen by a committee comprised of representatives from the state's Department of Parks, Recreation and Tourism; the Department of Youth Services; the Department of Agriculture; the Commission on Aging; the Department of Social Services and the Clemson Extension Service.

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

The PRESIDING OFFICER. The clerk will call the roll.

The Assistant Secretary of the Senate proceeded to call the roll.

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

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

EXTENSION OF TIME FOR MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that morning business be extended until not past the hour of 12:10 p.m.

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

Mr. BAKER. Mr. President, in a moment, as soon as the players are here, I intend to ask the Senate to turn to the consideration of the agriculture appropriations bill. It is anticipated, however, that a motion to waive the provisions of the Budget Act will be made prior to the leadership asking the Senate to turn to the bill itself. But until the chairman of the Budget Committee is here and the chairman of the Agriculture Subcommittee, I would not wish to proceed. I am told they will be here shortly, in a matter of minutes, so for the moment I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

The majority leader.

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, it appears that we are not yet ready to get on to the agriculture appropriations bill or the budget matters that must precede it. There is another matter, however, that we can do that I think will take only a few minutes, although I think it will require a rollcall vote; that is H.R. 4325, the Child Enforcement Act.

I have conferred with the minority leader who has indicated to me privately that he feels there will not be an objection to the request I am about to put. Mr. President, first of all, I believe the time for the transaction of routine morning business has expired, has it not?

The PRESIDING OFFICER. The Senator is correct. Morning business is closed.

CHILD SUPPORT ENFORCEMENT AMENDMENTS—CONFERENCE REPORT

Mr. BAKER. Mr. President, I submit a report of the committee on conference on H.R. 4325 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The bill clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4325) to amend part D of title IV of the Social Security Act to assure, through mandatory income withholding, incentive payments to States, and other improvements in the child support enforcement program, that all children in the United States who are in need of assistance in securing financial support from their parents will receive such assistance regardless of their circumstances, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report will be printed in the RECORD of the House proceedings.)

Mr. BAKER. Mr. President, I ask for the yeas and nays on the conference report.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, I think we can dispose of this conference report rather quickly. We are waiting for Senator ARMSTRONG to handle the conference report on this side. Senator LONG is on the floor.

Briefly, we have put together a good compromise, one that has widespread support on both sides of the aisle, and on both sides of the Capitol. I would say while my distinguished colleague, Senator LONG is on the floor, that this all started years ago under his leadership. This is sort of the next logical step in trying to collect child support from errant fathers. We believe that we have been able to work with the administration, work with Republicans and Democrats, and that we have a good product.

It is my hope that the Senate will approve the conference report today so that the House can act quickly and send the bill to the President as soon as possible. We all hope that the States and the Federal Government will not be delayed in implementing the important new enforcement procedures contained in H.R. 4325.

The House of Representatives passed H.R. 4325 on November 16, 1983, by a vote of 422 yeas to 0 nays. The Finance Committee reported its version of the bill on March 23 by unanimous vote, and the Senate, by a unanimous vote of 94 yeas, passed the committee bill on April 25. The conference committee met on June 28 and reached final agreement on July 26.

This conference report retains many of the most important provisions of the Finance Committee version and has the wholehearted support of the administration. The administration took the lead in reforming the Child Support Enforcement Program by developing its own legislation introduced by all the majority members of the Finance Committee on July 27, 1983. Many of the administration's original provisions are reflected in the conference agreement.

The conference report we are considering today has truly been a bipartisan effort. I believe the final legislation reflects a strong spirit of cooperation and support for the program's goal—collecting financial support for children.

The conference agreement includes the mandatory enforcement techniques which were contained in both the House and Senate versions of H.R. 4325: Mandatory income withholding after an arrearage of 1 month; the imposition of liens on property; the requirement that a bond be secured in certain cases; consumer credit agency reporting; and the intercept and offset of State income tax refunds for child support cases. Additionally, the House conferees adopted the Grassley amendment to extend the current Federal income tax offset used for welfare cases to nonwelfare cases. This provision will be effective for refunds payable after December 31, 1985, and before January 1, 1991. The Federal Office of Child Support Enforcement estimates that in its first year of implementation, the offset will affect some 800,000 taxpayers. Ultimately, the provision could affect upward of 2 million returns. This could prove to be an important collection tool for the program.

With regard to the financing of the program, the conference agreement retains the Finance Committee incentive structure with a modification of the non-AFDC cap to reflect the desire of the House and many in the Senate to have non-AFDC incentives increase over time. Finally, the Federal match, which was decreased to 65 percent in the Senate bill, will instead be reduced to 66 percent by 1990. This gradual decrease places more emphasis on State participation than is the case under current law.

At this point, I ask unanimous consent to have printed in the RECORD a brief summary of the provisions of the conference agreement on H.R. 4325, the Child Support Enforcement Amendments of 1984.

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

SUMMARY OF CHILD SUPPORT ENFORCEMENT AMENDMENTS

The Child Support Enforcement Amendments of 1984, as agreed to by House and Senate conferees, strengthen the child support enforcement and paternity establishment program authorized by title IV-D of the Social Security Act by requiring the States to implement effective enforcement procedures, by providing incentives to the States to make available services to both Aid to Families with Dependent Children (AFDC) and non-AFDC families and to increase the effectiveness of their programs, and by otherwise improving Federal and State administration of the program.

Purpose of the program.—Language is added to the statement of purpose assuring that services will be made available to non-AFDC families as well as AFDC families.

Improved child support enforcement through requiring State laws and procedures.—States are requiring to enact laws establishing the following procedures with respect to their IV-D cases:

1. Mandatory wage withholding for all IV-D families (AFDC and non-AFDC) if support payments are delinquent in an amount equal to 1 month's support. States must also allow absent parents to request withholding at an earlier date.

2. Imposing liens against real and personal property for amounts of overdue support.

3. Withholding of State tax refunds payable to a parent of a child receiving IV-D services, if the parent is delinquent in support payments.

4. Making available information regarding the amount of overdue support owed by an absent parent, to any consumer credit bureau, upon request of such organization.

5. Requiring individuals who have demonstrated a pattern of delinquent payments to post a bond, or give some other guarantee to secure payment of overdue support.

6. Establishing expedited processes within the State judicial system or under administrative processes for obtaining and enforcing child support orders, and, at the option of the State, for determining paternity.

7. Notifying each AFDC recipient at least once each year of the amount of child support collected on behalf of that recipient.

8. Permitting the establishment of paternity until a child's 18th birthday.

9. At the option of the State, providing that child support payments must be made through the agency that administers the State's income withholding system if either the custodial or noncustodial parent requests that they be made in this manner. The procedure must be available regardless of whether there is an arrearage that requires withholding to occur. The State must charge a fee equal to the cost incurred by the State for this service up to a maximum of $25 a year.

The Secretary may grant an exemption to a State from the required procedures, subject to later review, if the State can demonstrate that such procedures will not improve the efficiency and effectiveness of the State IV-D program.

The enforcement provisions are generally effective October 1, 1985. However, if a State agency administering a plan approved under part D of title IV of the Social Security Act demonstrates to the satisfaction of the Secretary of the Department of Health and Human Services, that it cannot, by reason of State law, comply with requirements of a provision mentioned above, the Secretary may prescribe that the provision will become effective beginning with the fourth month beginning after the close of the first session of such State's legislature ending on or after October 1, 1985.

Federal matching of administrative costs.—The Federal matching share is gradually reduced from 70 percent as follows: 68 percent in fiscal years 1988 and 1989, and 66 percent in fiscal year 1990 and each year thereafter.

Federal incentive payments.—The current incentive formula which gives States 12 percent of their AFDC collections (paid for out of the Federal share of the collections) is replaced with a new formula that is designed to encourage States to develop programs that emphasize collections on behalf of both AFDC and non-AFDC families, and to improve program cost effectiveness. The basis incentive payment will be equal to 6 percent of the State's AFDC collections, and 6 percent of its non-AFDC collections. States may qualify for higher incentive payments, up to a maximum of 10 percent of collections, if their AFDC or non-AFDC collections exceed combined administrative costs for both AFDC and non-AFDC components of the program.

The total dollar amount of incentives paid for non-AFDC families may not exceed the amount of the State's incentive payment for AFDC collections for fiscal years 1986 and 1987. However, thereafter the incentive paid for non-AFDC collections will be capped at an amount equal to 105 percent of the incentive for AFDC collections in fiscal year 1988, 110 percent in fiscal year 1989, and 115 percent in fiscal year 1990 and any fiscal year thereafter. The agreement also provides that for fiscal year 1985, the amount of the AFDC incentive will be calculated on the basis of AFDC collections without regard to the provision added by the Deficit Reduction Act of 1984 that requires that the first $50 collected on behalf of an AFDC family in any month must be paid to the family without reducing the amount of the AFDC payment to the family.

States may exclude the laboratory costs of determining paternity from combined administrative costs for purposes of computing incentive payments. States are required to pass through to local jurisdictions that participate in the cost of the program an appropriate share of the incentive payments, as determined by the State, taking into account program effectiveness and efficiency. Amounts collected in interstate cases will be credited, for purposes of computing the incentive payments, to both the initiating and responding States.

As part of the new funding formula, "hold harmless" protection is provided for fiscal years 1986 and 1987 which assures the States that for those years they will receive the higher of the amount due them under the new incentive and Federal match provisions, or 80 percent of what they would have received under prior law.

The provision is effective beginning with fiscal year 1986.

Matching for automated management systems used in income withholding and other procedures.—The agreement specifies that the 90 percent Federal matching rate that is currently available to States that elect to establish an automatic data processing and information retrieval system may be used, at the option of the State, for the development and improvement of the income withholding and other procedures required in the bill through the monitoring of child support payments, the maintenance of accurate records regarding the payment of child support, and the provision of prompt notice to appropriate officials with respect to any arrearages that occur.

The agreement also specifies that the 90 percent matching is available to pay for the acquisition of computer hardware.

The provision is effective October 1, 1984.

Fees for services to non-AFDC families.—States will be required to charge an application fee for non-AFDC cases not to exceed $25. The amount of the maximum allowable fee may be adjusted periodically by the Secretary to reflect changes in administrative costs. The State may charge the fee against the custodial parent, or pay the fee out of State funds, or it may recover the fee from the noncustodial parent.

In addition, at the option of the State, a late payment fee equal to between 3 and 6 percent of the amount of overdue support may be charged to the noncustodial parents of AFDC and non-AFDC families. The State may not take any action which would have the effect of reducing the amount of support paid to the child and will collect the fee only after the full amount of the support has been paid to the child. The late payment fee provision is effective upon enactment.

Continuation of support enforcement for AFDC recipients whose benefits are being terminated.—States must provide that families whose eligibility for AFDC is terminated due to the receipt of (or an increase in) child support payments will be automatically transferred from AFDC to non-AFDC status under the IV-D program, without requiring application for IV-D services or payment of a fee.

The provision is effective October 1, 1984.

Special project grants to promote improvement in interstate enforcement.—The Secretary is authorized to make demonstration grants to States which propose to undertake new or innovative methods of suport collection in interstate cases. The authorization is $7 million in FY 1985, $12 million in FY 1986, and $15 million in FY 1987 and years thereafter.

Periodic review of State programs; modification of penalty.—The Director of the Federal Office of Child Support Enforcement is required to conduct audits at least every three years to determine whether the standards and requirements prescribed by law and regulations have been met. Under the penalty provision, a State's AFDC matching funds must be reduced by an amount equal to at least 1 but no more than 2 percent for the first failure to comply substantially with the standards and requirements, at least 2 but no more than 3 percent for the second failure, and at least 3 but no more than 5 percent of the third and any subsequent consecutive failures.

Annual audits are required unless a State is in substantial compliance. If a State is not in substantial compliance, the penalty may be suspended only if the State is actively pursuing a corrective action plan, approved by the Secretary, which can be expected to bring the State into substantial compliance on a specific and reasonable timetable. If at the end of the corrective action period substantial compliance has been achieved, no penalty would be due. If substantial compliance has not been achieved, penalties would begin at the end of the corrective action period if the State has implemented the corrective action plan. A State which is not in full compliance may be determined to be in substantial compliance only if the Secretary determines that any noncompliance is of a technical nature which does not adversely affect the performance of the child support enforcement program.

The provision is effective beginning in fiscal year 1984.

Extension of section 1115 demonstration authority to the child support program.—The section 1115 demonstration authority is expanded to include the child support enforcement program under specified conditions.

The provision is effective upon enactment.

Child support enforcement for certain children in foster care.—State child support agencies are required to undertake child support collections on behalf of children receiving foster care maintenance payments under title IV-E, if an assignment of rights to support to the State has been secured by the foster care agency. In addition, foster care agencies are required to take steps, where appropriate, to secure an assignment to the State or any rights to support on behalf of a child receiving foster care maintenance payments under the title IV-E foster care program.

The provision is effective October 1, 1984.

Collection of spousal support.—Child support enforcement services must include the enforcement of spousal support, but only if a support obligation has been established with respect to the spouse, the child and spouse are living in the same household, and child support is being collected along with spousal support.

The provision is effective October 1, 1985.

Modification in content of annual report by the Secretary.—The present annual report information requirements are expanded to include data needed to evaluate State programs.

The provision is effective for reports issued for fiscal year 1986 and years thereafter.

Requirement to publicize the availability of child support services.—States must frequently publicize, through public service announcements, the availability of child support enforcement services, together with information as to the application fee for such services and a telephone number or postal address to be used to obtain additional information.

State commissions on child support.—The Governor of each State is required to appoint a State Commission on Child Support. The Commission must include representation from all aspects of the child support system includng custodial and non-custodial parents, the IV-D agency, the judiciary, the Governor, the legislature, child welfare and social services agencies, and others.

Each State commission is to examine the functioning of the State child support system with regard to securing support and parental involvement for both AFDC and non-AFDC children, including but not limited to such specific problems as: (1) visitation; (2) establishment of appropriate objective standards for support; (3) enforcement of interstate obligations; and (4) additional Federal and State legislation needed to obtain support for all children.

The commissions shall submit to the Governor and make available to the public, reports on their findings and recommendations no later than October 1, 1985. Costs of operating the commissions will not be eligible for Federal matching.

The Secretary may waive the requirement for a commission at the request of a State if he determines that the State has in place objective standards for child support obligations, has had a commission or council within the last five years, or is making satisfactory progress towared fully effective child support enforcement.

Requirement to include medical support as part of any child support order.—The Secretary of Health and Human Services is required to issue regulations to require State agencies to petition to include medical support as part of any child support order whenever health care coverage is available to the absent parent at a reasonable cost. The regulations must also provide for improved information exchange between the State IV-D agencies and the medicaid agencies with respect to the availability of health insurance coverage.

Increased availability of Federal parent locator services to State agencies.—The present law requirement that the States exhaust all State child support locator resources before they request the assistance of the Federal Parent Locator Service is repealed.

The provision is effective upon enactment.

Extension of medicaid eligibility when support collection results in termination of AFDC eligibility.—If a family loses AFDC eligibility as the result (wholly or partly) of increased collection of support payments under the IV-D program, the State must continue to provide medicaid benefits for 4 calender months beginning with the month of ineligibility. (The family must have received AFDC in at least three of the six months immediately preceding the month of ineligibility.)

The provision is effective upon enactment. It is applicable to families becoming ineligible for AFDC before October 1, 1988.

Guidelines for determining support obligations.—Each State must develop guidelines to be considered in determining support obligations.

The provision is effective October 1, 1987.

Availability of social security numbers for purposes of child support enforcement.—The absent parent's social security number may be disclosed to child support agencies both through the Federal Parent Locator Service and by the IRS.

The provision is effective upon enactment.

Collection of overdue support from Federal tax refunds.—Current law requires the Secretary of the Treasury, upon receiving notice from a State child support agency that an individual owes past due support which has been assigned to the State as a condition of AFDC eligibility, to withhold from any tax refunds due that individual an amount equal to any past due support. The conference agreement extends this requirement to provide for withholding of refunds on behalf of non-AFDC families, under specified conditions.

The provision is effective for refunds payable after the year ending Dedember 31, 1985, and prior to January 1, 1991.

Wisconsin child support initiative.—The Secretary of HHS is required to grant waivers to the State of Wisconsin to allow it to implement its proposed child support initiative in all or parts of the State as a replacement for the AFDC and child support programs. The State must meet specified conditions and give specific guarantees with respect to the financial well-being of the children involved.

Sense of the Congress that State and local governments should focus of the problems of child custody, child support, and related domestic issues.—The conference agreement incorporates the language of S. Con. Res. 84 urging State and local governments to focus on the vital issues of child support, child custody, visitation rights, and other related domestic issues that are within the jurisdictions of such governments.

Mr. DOLE. Mr. President, this legislation was not developed without extensive hearings and study. The Finance Committee held hearings in September 1983 and in January 1984. Testimony was received from over 30 witnesses, including the Secretary of Health and Human Services, 4 U.S. Senators, 2 Members of the U.S. House of Representatives, 1 Governor, other public officials, State Child Support Program administrators, women's legal rights organizations, and groups representing custodial and noncustodial parents. The majority of the witnesses agreed that although the Child Support Program has been operating with some success for a number of years, data indicate that child support is largely being ignored and the economic well-being of children is suffering.

It is my view, and that of all the House and Senate conferees, that the agreement reached on H.R. 4325 will, when fully implemented, lead to a more effective Child Support Program. The legislation will ensure that the enforcement and collection tools established in the bill will be available to all children whether or not they are receiving public assistance. It provides incentives that financially reward States which operate efficient, effective child support programs.

Finally, I would like to thank all the members of the Finance Committee who contributed to the development of the Child Support Enforcement Amendments of 1984. I am especially grateful to the Senate conferees, led on the minority side by Senator RUSSELL LONG, recognized as the father of the Child Support Program. Senators PACKWOOD, ARMSTRONG, GRASSLEY, MOYNIHAN, and BRADLEY contributed greatly to the process. A number of Senators not serving on the Finance Committee also made valuable contributions. Senator TRIBLE introduced an early version of the present bill and testified before the Finance Committee. Senator TRIBLE was an especially convincing advocate for the mandatory income withholding provision which is the centerpiece of the bill. Senators HAWKINS, KASSEBAUM, and HATCH all appeared before the Finance Committee and provided insight and support that was important to the committee during the markup process.

The administration, through effective leadership by the President and tireless effort by Secretary Heckler, deserves a large share of the credit for the successful completion of the amendments. I would like to thank the staff of the Federal Office of Child Support enforcement, especially David Smith, for the assistance provided to the committee and its staff. From the Department of Health and Human Services, Tom Ault, Deirdre Duzor, Fran White, and Fran Paris were always available for expert assistance. I would also thank Margaret Malone of the Congressional Research Service. Without her knowledge and expertise, the final product would have surely suffered. Additionally, I want to acknowledge the work of the staff of the Senate conferees: Dundeana Langer for Senator GRASSLEY, Kathy Shine for Senator PACKWOOD, Margaret Webber and Brian Waidmann for Senator ARMSTRONG, Joe Humphreys of the minority staff, Jane Ross for Senator MOYNIHAN, and Ken Apfel for Senator BRADLEY.

I urge my colleagues to adopt the conference agreement to accompany H.R. 4325, the Child Support Enforcement Amendments of 1984.

I am happy to yield at this point to the distinguished Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, the Child Support Enforcement Program was enacted 10 years ago because the Congress believed that children have a right to know who their parents are and to be supported by them. Neither children nor taxpayers are justly treated by a system which permits parents to shirk their parental responsibilities and abandon their children to welfare. In its first 10 years of existence, the Child Support Program has done a great deal to change that system. The program is now collecting over $2 billion each year in child support payments, locating over 800,000 absent parents each year, and establishing paternity for over 200,000 children.

Although the results of the Child Support Program have been impressive, there are still too many children who receive little or no support from their absent parents. There are too many cases where child support awards are unrealistically low or where insufficient efforts are made to enforce support. The conference agreement now pending before the Senate proposes a number of improvements in the Child Support Enforcement Program. Its enactment should strengthen that program significantly.

The pending legislation calls upon the States to utilize wage withholding and other techniques which some States have shown to be highly effective in collecting support. It reemphasizes the requirement that child support services be made available to help families stay off of welfare and not just to collect for those who are already on the welfare rolls.

An important element of this legislation is the strengthening of the audit role of the Director of the Office of Child Support Enforcement. Through periodic audits, the Director is required to monitor the operations of State programs, not just for technical compliance with Federal rules but also to assure that they meet standards of effectiveness.

The conference agreement also incorporates a Senate provision requiring States to establish guidelines for child support awards. While these guidelines need not deprive judges of the flexibility that is often required in determining a support level, they should help to assure that awards are not made on a totally arbitrary basis which ignores the realistic needs of the family or the ability of the absent parent to meet those needs.

The enforcement of child support is a difficult task. The enactment of these amendments will not eliminate the need for continuing and increasing efforts on the part of those State and local officials who are charged with this responsibility. But the amendments will strengthen the program, and should provide added tools to assist those officials. I support the conference agreement and I urge the Senate to approve it.

Mr. President, let me say in conclusion that from the point of view of the Senate, this has been a very successful conference. I believe the House is satisfied as well, I urge Senators to agree to the conference report.

Mr. BRADLEY. Mr. President, today marks a major breakthrough in the effort to improve our sorry record of collecting child support. As a member of the Conference Committee which reached the agreement before us, I am delighted with the results of our negotiations. This bill is long overdue and much needed.

For many single-parent families, child support payments from the absent parent is a major source of income. But for 40 percent of those families no child support has been awarded by a court. And what of the remaining 60 percent? Fewer than half received the full amount due; 23 percent received only part of what they were entitled to; and 28 percent received nothing at all—even though a court had ordered payments to be made.

Some years back, Congress decided to help enforce child support orders for families receiving public assistance, and the current Child Support Program has had a positive impact. But it is far from adequate. There is a wide disparity in performance among States and no State has even a 50-percent compliance rate with court orders. The system is in need of major improvements.

Mr. President, earlier this year, Senator DURENBERGER and I introduced legislation that was cosponsored by 20 Senators. It requires mandatory wage withholding and other enforcement tools to insure that child support is paid regularly and on time for all children, not just those on welfare. And my bill gave strong incentives to States to be as aggressive as possible in enforcement. While the conference report is not as strong as the bill I introduced, it will substantially improve the collection of child support payments from parents who are ignoring their legal obligations. The core element of the bill before us is the same as the bill I introduced: strong enforcement of child support through mandatory income withholding and incentive payments to State and local governments to encourage better performance.

These are significant changes that I believe will help improve the record on collecting child support. It should be pointed out, however, that these efforts may not be enough to correct the abuse and neglect we are witnessing today. If these reforms do not prove to be a sufficient enforcement tool, we

may well have to incorporate automatic withholding of child support payments from the wages of those obligated to pay as a part of the original court decree not just after there has been a 1-month lapse in payment. I shall certainly be monitoring the situation over the next couple of years to see how effectively the changes we are making today actually work.

Mr. President, while the bill is not perfect, I was especially pleased that the House-Senate conferees agreed to strengthen the final version of the bill in three ways. First, all tax refunds from noncustodial parents with delinquent payments will now be attached, not just refunds owed to welfare families. Second, the conferees agreed to provide 4 months of medicaid coverage to families going off AFDC because of improved collections. And third, the reform bill includes a stronger incentive payment to State and local governments to further encourage States to go after all noncustodial parents who are not paying their child support, not just those whose children are on AFDC.

Mr. President, there has been much written about the feminization of poverty and the need to do something about it. This bill takes positive action to help correct that deplorable situation.

For the million parents of families not receiving their due, I hope the Senate will support this conference report. And for the absent parents, largely fathers, who are not paying their child support, we say, "Get ready, because we are coming after you. You are now going to have to support your family."

Mr. ARMSTRONG. Mr. President, passage of the conference report on this legislation brings to an end a yearlong effort to write tough new child support legislation. I commend the conferees and others who have worked on this measure, members of the staffs, and a number of people outside Congress who have participated in drafting this legislation, State officials, single parents and others who have really called to the attention of the Congress and provoked the conscience of the Nation a human tragedy of very great proportion.

President Reagan will sign the bill into law as soon as possible. I feel confident that its final passage will help correct a serious and expensive problem for many of our country's women and children—this problem is the failure of absent parents to fulfill child support obligations.

Four million children of divorced, separated or unmarried parents are not receiving either full or timely child support payments. In 1981, according to the Census Bureau, more than 8 million women were raising children alone. Most of these women were eligible for child support, but obligations had been established for only 4 million children. The total unmet obligation amounts to almost $4 billion a year—an unbelievable amount considering the young lives being affected. Specifically: (1) 40 percent of single parents lack a child support order because the father is not known, or the mother chooses not to seek one; (2) of the 60 percent of single parents with court ordered child support, 28 percent get no support assistance at all—that is to say, the court orders are being violated in 20 percent of the cases just from start to finish. There is no compliance with the court orders at all—a quarter receive some assistance, and only 47 percent receive the full amount due in any particular year.

This legislation before us today amends the Social Security Act to improve the ability of States to collect support for non-AFDC and AFDC families. This child support legislation has a two-pronged approach to collecting delinquent child support payments: First, the legislation increases Federal financial payments to States that improve child support collections beyond current levels. Second, it directs States to adopt effective, proven procedures to increase collections. It is expected to increase child support collections by at least $600 million. In brief, the bill includes the following provisions:

It provides financial incentives for States that develop effective child support enforcement programs. These incentives are intended to encourage States to increase their cost-effectiveness ratio in making collections.

It requires States to impose mandatory wage withholding on absent fathers who are more than 45 days behind in child support.

It requires States to intercept State tax refunds from absent fathers behind in child support.

It provides for mandatory imposition of liens against real and personal property for amounts of overdue child support owed by an absent parent. It requires the transfer of available information regarding the amount of overdue support owed by an absent parent to any consumer credit organization upon request.

It provides the States a 90 percent Federal matching rate that is available to establish automatic data processing and information retrieval systems to improve state collections and provide better information for intrastate collections.

It also provides child support enforcement for certain children in foster care.

Finally, it requires States to develop procedures that would expedite judicial proceedings in child support cases in civil courts.

These provisions have already been enacted by many States and provide only the minimum requirements that States may enact to increase collections. In addition, the Federal match would remain at 70 percent until 1988. This match would then be reduced to 68 percent until 1990 and then reduced to 66 percent. This would allow States time to implement these new collection mechanisms and to benefit from increased collections reducing the burden of State administration costs. In my own State, Colorado is expected to receive a net gain of an estimated $400,000 dollars over current law in 1986 according to the Office of Child Support Enforcement.

American children are being cheated out of several billions of dollars of court ordered child support. Each year the problem becomes increasingly worse as an additional 2 million children are being raised in single parent families. In addition, the nonpayment of child support has pushed more and more families onto the welfare rolls resulting in taxpayers actually subsidizing child support cheaters. Some 87 percent of those receiving Federal welfare payments through the Aid to Families with Dependent Children are eligible because child support is not being paid. Annual AFDC costs now exceed $13 billion.

Yet loss of Federal money by nonpayment of support is not the only tragedy nor is this legislation a substitute for parents who are not willing to meet child support obligations. Each day many custodial parents face the anguish and frustration of trying to support children alone complicated by financial difficulties and perhaps the frustration of waiting months for court redress. The final passage of this legislation will help prevent further suffering of these individuals and the 2 million children who may be added to this list each year. Finally, I urge States to consider additional measures to increase child support collections and to improve cooperation between States in locating and forcing absent parents to fulfill their child support obligations.

Mr. President, unless there are other Senators who wish to speak, I think we will be ready to go to a vote in just a moment. We are going to run our trap line and see if there is anybody who has indicated a desire to speak. If not, I think we will be ready to bring this debate to a conclusion.

Mr. DOLE. Mr. President, I wish to thank the distinguished Senator from Colorado for his leadership, along with the distinguished Senator from New Jersey. This is very important and significant legislation. It is something for which we have worked hard. With the help of the distinguished Senator from Colorado and others, we have a good bill. It is fair. It is balanced. It means we are going to collect more child support from errant fathers.

Mr. DURENBERGER. Mr. President, I am extremely pleased, as a supporter of child-support enforcement reform, that we are considering the child support conference report today. I want to commend the chairman of the Finance Committee for his efforts in bringing this report to the floor, and I should also like to recognize the other Senate conferees—Senators PACKWOOD, GRASSLEY, ARMSTRONG, LONG, MOYNIHAN, and BRADLEY—for their tremendous contribution to passage of this legislation.

The bill we are considering today is modeled after title V of the Economic Equity Act which I introduced in March of 1983, as well as legislation that I introduced last January with Senator BRADLEY to ensure compliance with court-ordered child support payments.

Failure to pay child support in this country has reached epidemic proportions. In fact, this situation has become so serious that everyone knows someone who is not receiving child support.

Translated into dollars and cents and national statistics, this problem is even more horrifying. Between a quarter and a third of fathers never make a single court-ordered payment. Absent parents fail to pay approximately $3 billion each year, and this trend is growing.

In addition, the number of single-parent families has mushroomed. In 1980, there were 8.5 million single-parent families, an increase of over 100 percent from 1970. The Census Bureau predicts that only half of all children born this year will spend their entire childhood living with both natural parents. Women head 90 percent of the rapidly growing number of single-parent families.

What happens to a woman when confronted with a marriage that has been irreconcilably broken by financial problems, communication breakdowns, and changing values? At age 40, she may find herself raising her children alone, with no or limited means of support and terribly frightened.

Her efforts to achieve self-sufficieny and regain her self-esteem are frustrated by forces beyond her control. She quickly learns that the chances of employment are few without job skills and experience. She is confronted by the fact that the same society that encouraged her to raise and care for her family, now refuses to attach a value to the work she has performed.

If she is fortunate enough to obtain an order for child support from her former spouse, there is no guarantee that the support will ever be paid. While her standard of living quickly declines, she sees her former husband's increasing.

In many cases, she will be forced to turn to public assistance just to make ends meet. Only then can she find help collecting past-due support. Once the support starts arriving her financial situation improves—she now has enough income to obtain adequate dependent care, pay her medical bills, and provide for transportation expenses.

Unfortunately, once she becomes self-sufficient she no longer finds child support collection officials anxious to pursue her child support claims. In time, the support stops and she is forced to return to public assistance. This catch-22 may continue throughout her children's lives.

The breakdown of the American family is shocking in a society that has placed that institution at the apex of its social structure. Family dissolution is a problem that we, as national leaders, must address in the coming years. If we are going to maintain the backbone of our society, we must begin to search for ways in which we can keep the family together.

All too often we have ignored this need and sacrificed family unity and self-reliance for well-intentioned economic considerations. In doing so, we have damaged the health of America's children.

A child confronted by dissolution is frequently caught in an unwinnable and unhealthy situation. Far too often, children are used as puppets by parents who are acting out their own frustrations.

Not only do these children suffer during the course of the legal proceedings, but their anguish may continue for many years to come. In many cases, visitation and support issues rapidly intertwine to catch the children in their parents' game of cat-and-mouse. For example, any one of the following is a typical scenario: First, the absent parent fails to pay support, and the custodial parent terminates visitation; second, the custodial parent refuses visitation, and the absent parent stops paying support; third, the absent parent purchases gifts for the children in lieu of support; or fourth, either or both parents move to a new locality.

These are just a few of the tragic situations that follow divorce, but they all lead to one inevitable conclusion—the innocent children are the ultimate victims.

Although these serious family law issues are primarily within the jurisdiction of the State and local governments, Congress does have an obligation to protect these children's financial well-being by tackling the child-support enforcement problem.

The bill which we are considering today is a strong piece of legislation and incorporates many of the provisions of title V of the Economic Equity Act. It includes:

Mandatory wage withholding after arrearages equal 1 month.

Mandatory Federal and State income tax offsets for both AFDC and non-AFDC families.

Mandatory liens against real and personal property.

Mandatory security and bonding procedures.

Support for State and local government initiatives with respect to visitation, child custody, and related domestic issues.

Development of objective standards for support.

This legislation also establishes a new incentive formula for both AFDC and non-AFDC collections. Hopefully, this change will encourage States to become more cost effective and responsive to all families—not just those receiving AFDC.

There is a gradual reduction in the Federal matching formula included in the bill as well. Although I originally would have preferred maintaining the Federal match at 70 percent, the new rate represents a compromise that recognizes the enormous Federal deficit and the needs of the States. When coupled with new incentive payments and greater State efficiency, this change will be negligible.

Passage of this legislation by the Senate will send a signal to American women that we intend to remove economic discrimination today. But, this does not complete our task. We must take action to ensure passage of all the other provisions of the Economic Equity Act. We must increase the availability of the dependent care tax credit. We must remove all insurance discrimination that currently exists. We must reform public pensions for civil service spouses. Finally, we must set an example by removing impediments established in our regulatory and tax codes.

Mr. President, the challenge that awaits us is great, but enactment of strong child-support enforcement legislation is an important beginning. As we move ahead to our next goal, I believe it is vital that we keep in mind the importance of removing economic barriers which confront women. Hubert Humphrey articulated this well, in 1966, when he stated:

> Despite the fact that we are doing better in this respect than most other countries, it still remains true that the richest underrealized resource in America is the talent of its women.

Mr. GRASSLEY. Mr. President, it is with extreme delight that I rise to support H.R. 4325. The conferees have reached agreement on a child-support enforcement package which deserves every Senator's support.

This bill represents the culmination of many individual Senator's and Representative's efforts to fashion a stronger IV-D Program. The Reagan administration and Secretary Heckler gave their firm commitment to help develop meaningful improvements in

the current Child Support Enforcement Program, and of course, the interest groups were key in generating such overwhelming support for reforms. We have worked hard over these many months, and heard testimony from numerous interest groups and the various levels of Government involved with the IV-D Program. H.R. 4325 represents a truly bipartisan approach to remedying the national disgrace of nonpayment of child support.

While the IV-D Program has made great headway in collecting overdue child support, it was apparent that improvements were needed. Program effectiveness varies greatly from State to State, as does the emphasis on AFDC against non-AFDC collection efforts. The items included in H.R. 4325 will enable us to make good on our pledge to assure that assistance in obtaining support will be available to all children.

The conferees approved a very balanced bill which calls on States to implement proven enforcement techniques, restructures the financing of the program to place more emphasis on States' performance, and addresses the need to develop guidelines for child support awards, as well as the need for the States to examine custody and visitation issues.

I was particularly pleased with the inclusion of the Senate's Federal and State income tax refund offset provision for non-AFDC families. The refund offset was an important part of my bill, S. 1708, and Congressman CAMPBELL's companion bill H.R. 3545. The refund offset was successfully offered during the Senate Finance Committee's markup by myself and Senators PACKWOOD and DURENBERGER. I know they share my pleasure with the enactment of this measure. It is a critical tool to ensure that all children are afforded equal footing in obtaining their support payments.

As this country struggles to deal with the changing family makeup, we need to take steps which recognize the ever-increasing number of single-parent homes. The ultimate responsibility of any parent is to provide for the well-being of their children. This responsibility does not end with the dissolution of a marriage, nor does it fail to exist in the case of children fathered outside of marriage. The thrust of this legislation is to encourage prompt payment of court-ordered payments, and to provide a more uniform and effective system of enforcing those payments. In conjunction with the enforcement of the support payment, it should be carefully noted that Congress views visitation rights as being just as important to the well-being of the child.

Our work will not end with the passage of this measure. We need to continually monitor the effectiveness of the program changes and their implementation by the States. I believe we have given the States very effective tools and guidelines by which to improve their programs, and structured the financing to give them greater incentives to operate a truly worthwhile program. Nonetheless, it will be critical that Congress keep a watchful eye on program specifics and their effect on the State and local operations.

Passage of this legislation highlights the tremendous progress we have made since the inception of the IV-D Program in 1975. Senator LONG certainly deserves our thanks for his work in recognizing the Federal role in assisting in the collection of delinquent payments. Before the taxpayers have to step in and help pick up the tab for welfare programs, every effort must be made to assure parental responsibility is being fulfilled. The Child Support Enforcement Program has heightened public awareness of the problems faced by many families in receiving a steady flow of payments.

I urge all of my colleagues to join me in supporting H.R. 4325 so we may make further progress in helping children receive their due.

Mrs. HAWKINS. Mr. President, just as charity is to begin at home, so should the home be a place for the great principle of our land, "liberty and justice for all." Yet, with an appalling pattern of neglect in child support payments, over half of all female heads of households and their children have been consistently deprived of their just due.

In 1981, children were cheated out of $4 billion in child support payments with the result of forcing many families to turn to welfare aid. As the tide has begun to turn under the Reagan administration, some 77,000 families have been relieved of welfare dependence due to increased enforcement of support since then. As Republicans, we are calling for a removal of the burden of child support from society by placing it on the delinquent parents where it belongs.

President Reagan has made great strides in forcing neglectful parents to take responsibility for child support. Resulting in yields of over $175 million in 1982 the administration has begun to aid the States in collecting overdue support payments by attaching Federal tax refunds of delinquent absent parents to pay the support due. In addition, the Parent Locator Service has been improved so that Federal technical aid assists State and local agencies in locating absent parents. Another positive step has been the abolishment of the bankruptcy loophole often used for avoiding child support payments.

The President has proposed major improvements in the Child Support Enforcement Program of 1975. This program provides a plan for absent parents to reimburse the State for prior welfare expenditures and offers numerous procedures for the collection of payments. The President's proposal helps improve efficiency through a system of State collection incentives under which bonuses would be paid to States according to their success in support payment collection. President Reagan's proposal also calls for stricter collection techniques and for more audits of State compliance. Besides simply establishing paternity, the proposal provides special grants for States to set up automated systems for tracking down delinquents.

In this manner, the Republicans are taking a clear stance on a vital social issue: parents must be responsible for the support of their own children and the disturbing and persistent trend of neglect in child support must be reversed. Compliance with the law can and must be promoted, especially in the case of a law so central to the preservation of an equitable society with the American family at its core.

I am pleased that the House and Senate conferees have resolved the differences between their child support bills. The ultimate beneficiaries of this legislation will be the American child.

Mr. KASTEN. Mr. President, I rise in support of the conference report on H.R. 4325, the Child Support Enforcement Amendments of 1984. The House and Senate conferees have worked diligently on this package and the result is an equitable system for strengthening child support enforcement in this Nation.

Most Americans are alarmed to know that over $4 billion a year is paid out in welfare benefits simply because many parents are refusing to pay court ordered child support. The Bureau of the Census estimates that more than 2 million parents either disobey the courts by ignoring the orders or making child support payments late. As a result, more and more custodial parents are pushed to the welfare system, accounting for more than 85 percent of those receiving Federal Aid to Families with Dependent Children. These statistics simply cannot be ignored. We must put teeth into existing child support enforcement laws for the benefit of the families of this Nation.

The package before us provides strong incentives for States to strengthen their child support collections programs, using such tools as mandatory withholding from wages for overdue support, tax intercepts, and property liens in delinquent support cases. This legislation allows for the first time for the collection of payments for both AFDC and non-AFDC cases. This will end the need for many families to spend down their assets before any action can be taken to assist in the collection of payments.

Perhaps most important, this bill will allow Wisconsin to carry out its own child support initiative, one of the boldest in the Nation.

This initiative, which employs a system of immediate income assignment in divorce, separation, and paternity cases, guarantees each child a minimum allowance, and requires that both parents contribute to the support of their child, based on income. Under the provisions of H.R. 4325, Wisconsin will be able to expand this system operating in 10 pilot counties to the entire State. That means security for custodial parents and children, and great savings for the State welfare system.

In a nation which places such a high premium on the welfare and security of its citizens, it is unthinkable that we could ignore the tragedy of child support delinquencies. The conference report before us gives us an opportunity to do something about this tragedy and to reaffirm our commitment to the children of this Nation.

Mr. President, I ask my colleagues to join me in support of the conference report on H.R. 4325.

● Mr. MOYNIHAN. Mr. President, I rise today in strong support of the conference report on H.R. 4325, the Child Support Enforcement Amendments of 1984.

I have followed this legislation for some considerable time. In September 1983, the Senate Finance Subcommittee on Social Security and Income Maintenance, on which I serve as ranking minority member, held extensive hearings on this legislation. The full Finance Committee conducted additional hearings on January 24, 1984, and I was a member of the conference committee which produced this final legislation.

This legislation has focused attention on one of the most deplorable situations affecting the Nation's social welfare—the nonpayment of child support. The current record of child support collections is intolerable: Almost 55 percent of the more than 4 million women legally entitled to child support payments are not receiving the full amount; 28 percent of these women receive nothing at all. Nonpayment for child support increases the likelihood that a child will fall into poverty and remain so, prolonging reliance on public assistance.

Congress created the Office of Child Support Enforcement in 1975 to establish and enforce child support obligations, to establish paternity, and to assist in the enforcement of interstate support cases. This is a Federal and State effort, and its 9-year history is one of significant success. More than $8.8 billion has been collected in child support, over 2.2 million support orders have been established, and the paternity of more than 8,000 children has been determined. But this is not enough. The record of compliance on child support orders remains disgraceful.

The measure under consideration today will provide the stronger tools needed to enforce child support obligations and relieve the difficult economic circumstances facing a growing number of American families. It provides assistance for children who need such to secure the financial support due them from their absent parents. This measure imposes vigorous enforcement mechanisms including mandatory wage withholding of child support when a support payment is 1 month late, mandatory interception of State and Federal income tax refunds for back child support, and imposition of liens on real and personal property to secure payments. These reforms in the administration of the child support system are essential, and I am pleased to support them.

There is a strong link between female-headed households, poverty, welfare recipiency and child support. The Census Bureau reports that 19 percent of all families with children are headed by women—and 12.5 million children under age 18 live in female-headed households; 59 percent of the black poverty population lived in female-headed families in 1980. Between 1970 and 1981 the number of these households increased over 100 percent. Poverty rates among women heading households are much higher than for male heads of households and husband-wife couples; 52 percent of all children in female-headed families had incomes below the poverty line, compared with 11 percent of children living in married couple families. Lack of child support from the absent parent, which occurs in over 50 percent of all cases where child support is due, is a compelling explanation for the preponderence of poverty in single-parent female-headed households and the substantial numbers of such families who become part of the welfare system.

A few years ago, in a paper I published in the Journal of Socioeconomic Studies, I examined the rise since 1940 in the proportion of children who receive public assistance. The projections, though necessarily tentative so far as the future is concerned, are striking. One child in three born in 1980 will be on public assistance [AFDC] before the age of 18. That is more than four times the 1940 ratio.

What is just as striking is the profound change in the composition of the welfare population, which is quite pertinent to our discussion today of child support enforcement. The welfare population today is associated to a substantial degree not with widowhood but with abandoned female-headed families.

Let us consider one more illustration of the pervasiveness and complexity of the situation regarding the enforcement of child support obligations. For all women with incomes below the poverty line, only 60 percent received some amount of child support payment, and then the average annual payment received was just $1,440. In other words, the custodial parent received just $120 a month an average from the absent parent to support their child. If each family with no father present receiving AFDC in December 1982 had received just that $1,440 average annual payment, the savings in welfare payments would have been close to $5 billion, rather than $800 million. This is money that could have been used to enhance the services available to our Nation's children through the AFDC Program, Child Nutrition Programs, the School Lunch Program and other social welfare programs that have suffered severe funding cuts in the past 3 years.

Adoption of this legislation will not remedy all the problems associated with the child support system, but this measure most certainly will improve collection of both AFDC and non-AFDC support obligations.

H.R. 4325 is a most responsive measure to the well-documented problem of child support enforcement. I am pleased to support it, and I encourage my colleagues to join me in enacting it.●

The PRESIDING OFFICER. The question is on agreeing to the conference report. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Colorado [Mr. HART] is necessarily absent.

The PRESIDING OFFICER (Mr. HUMPHREY). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 210 Leg.]

YEAS—99

Abdnor	Durenberger	Lautenberg
Andrews	Eagleton	Laxalt
Armstrong	East	Leahy
Baker	Evans	Levin
Baucus	Exon	Long
Bentsen	Ford	Lugar
Biden	Garn	Mathias
Bingaman	Glenn	Matsunaga
Boren	Goldwater	Mattingly
Boschwitz	Gorton	McClure
Bradley	Grassley	Melcher
Bumpers	Hatch	Metzenbaum
Burdick	Hatfield	Mitchell
Byrd	Hawkins	Moynihan
Chafee	Hecht	Murkowski
Chiles	Heflin	Nickles
Cochran	Heinz	Nunn
Cohen	Helms	Packwood
Cranston	Hollings	Pell
D'Amato	Huddleston	Percy
Danforth	Humphrey	Pressler
DeConcini	Inouye	Proxmire
Denton	Jepsen	Pryor
Dixon	Johnston	Quayle
Dodd	Kassebaum	Randolph
Dole	Kasten	Riegle
Domenici	Kennedy	Roth

Rudman	Stennis	Tsongas
Sarbanes	Stevens	Wallop
Sasser	Symms	Warner
Simpson	Thurmond	Weicker
Specter	Tower	Wilson
Stafford	Trible	Zorinsky

NOT VOTING—1

Hart

So the conference report was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

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

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, does that complete action now on on the conference report?

The PRESIDING OFFICER. It does.

BUDGET ACT WAIVER—AGRICULTURE APPROPRIATIONS, 1985

Mr. BAKER. Mr. President, as I announced earlier, it is the intention of the leadership on this side to ask the Senate to turn to the agriculture appropriations bill, but at this time it is necessary, I believe, to dispose of matters related to the Budget Act.

Mr. President, I ask unanimous consent that pursuant to section 904 of the Congressional Budget Act, that section 303(a) of that act be waived with respect to the consideration of H.R. 5743, the agriculture appropriations bill for fiscal year 1985, as reported by the Senate Committee on Appropriations.

Mr. CHILES. Mr. President, I object.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. Objection is heard.

Mr. BAKER. I thank the Chair.

Mr. President, I move that pursuant to section 904 of the Congressional Budget Act, that section 303(a) of that act be waived with respect to the consideration of H.R. 5743, the agriculture appropriations bill for fiscal year 1985, as reported by the Senate Committee on Appropriations.

The PRESIDING OFFICER. The question is on the motion of the Senator from Tennessee. Is there debate?

Mr. CHILES. Yes. [Laughter.]

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. Mr. President, I want to begin with two very simple facts. One is a legislative fact; we have not enacted the first concurrent budget resolution. Second, is a calendar fact, today is August 1. Congress has been in session since January. The President's budget was submitted last February. The Senate Budget Committee has been at work since the day the budget came out, and still we do not have a budget resolution.

The Budget Committee held all its hearings. We even held a markup. That did not happen immediately. First, we had to overcome the reluctance of some people in the majority who believed it was not necessary to have a markup. They believed we already had a deficit reduction act. That is all that would be necessary. But I will have to say that the minority ranking member of the Budget Committee, the Senator from Florida, was finally accommodated on that question.

We did hold a markup. I think it worked well. We reported out a budget resolution, and the Senate passed it.

So we debated it for about a month, passed it in the Senate, and the House passed their own version some months before. But here we are on the first of August, and we still do not have a conference-enacted budget resolution agreed to by both Houses.

In January, during the State of the Union Address, the President called for joint White House-congressional talks on ways to cut the deficit. Those meetings were initiated. The Republicans from the Senate, the Democrats from the Senate, and the same from the House went to those meetings. The issue was talked about, kicked around, but those talks came apart over the same issue we face now: the military spending figure. Senator DOMENICI back in early March floated a military spending figure of $294 billion.

The White House responded at that time by shooting that number down. And when that number went down, the bipartisan talks went with it.

Shortly afterward, on March 15, the Republican leadership assembled in the Rose Garden, and they presented their deficit reduction plan. They called it a deficit down payment. It really amounted to more of a "no-money-down" offer, the kind that is supposed to lure customers into the store under the belief they are getting a bargain. But as so often happens, it turned out to be more advertising than a bargain. I think there are a lot of people on this side of the aisle who today are willing to go along with that $294 billion figure despite some grave doubts on the worth of the Rose Garden plan. We never had a chance. The White House insisted on their own number for defense. Let us look at it from their perspective.

I think their perspective, Mr. President, is they already had their meeting. They already had their compromise. They had wanted a figure even higher than the $299 billion, and they assumed that they have already compromised and the show was over.

I have a hard time understanding, Mr. President, how Republicans sitting down with the President somehow believe they can bind the rest of the Congress. The House has a Democratic majority but Democrats are not a majority in the Senate. We like to get our 2 cents' worth, and feel like we are part of the process as well. But the President has a way of feeling that once he has talked to anybody that is a bargain.

We keep running into this same Presidential notion; that is, that the Congress has misled him on the spending cuts in the last tax writeup. He said he was told there would be $3 of spending cuts for every $1 of tax cuts. We kept trying to find out where that notion came from. It turned out the President had it a little backward, and my friend from New Mexico has straightened up the record, or tried to many times. But in spite of that, no Democrats were ever involved; never signed on to some commitment, although the President has always seemed to feel a commitment was made.

So all we have is a White House compromise among Republicans, and that has been the binding glue. Nothing can move it. Everyone else is supposed to march in line with the one-party compromise. That has been the posture all year long. That is why we have no budget resolution and here it is August 1.

Now the leadership is calling up appropriations bills, asking us to go ahead and pass them despite the fact that the calendar says that it is August 1, and in spite of the fact that we do not have a budget resolution.

I hope the Senate will understand that I have—and my distinguished chairman from Mississippi will understand—no grievance against this agriculture appropriation bill. The chairman has been very kind to the Senator from Florida, and all other Members of the Senate, as far as I know, who have tried to come to him and say we have particular agriculture problems in our State.

The chairman and the ranking Democrat, the Senator from Missouri, worked very long and hard on that subcommittee. I happen to be a member of it on the Appropriations Committee, and I have seen their work over a long period of time. They always produce a very worthwhile product. When this bill comes up for a vote, I intend to vote for it. I think it is a good bill.

But I am also for the budget process.

And the fact of the matter is that we are 2 months behind with no evidence that the majority is serious, either about accelerating the process or even abiding any more this year. We find ourselves in the situation—since we have no resolution to guide us—of bringing appropriations bills to the floor that will require a waiver as specified in the Budget Act. What we are doing in effect is trying to wipe out the mandate of the Budget Act and take us back to the old days when we went ahead, passed appropriations

bills, and then just added up the total to see what we had. That is exactly what will happen if this waiver is approved.

Since the leadership has done about all it can to waive the Budget Act all year long, I think it is time we put a halt to that fast footwork. That is why I am against this motion, and that is why I feel it is necessary to spend some time telling my colleagues why we need a budget resolution before we proceed with these appropriations bills any further.

To begin with, we need a budget resolution because the law says we must have one, the same law we passed in 1974 in an attempt to help us put our economic house in order.

Maybe you will remember those bleak days before 1974, reaching back into our economic past, when we had no way of knowing how much we were going to spend until we spent it; no way of knowing what level of taxation would be necessary to match the level of appropriations. Back in those days we had a budget surplus only once, and we actually ran deficits as high as $25 billion in 1968. And we thought that was awful.

Some people have asked me since then, "How is it that you are a member of this Budget Committee, one of the sponsors of the act, who helped draft it—how is it that prior to adoption of the law we had deficits, as high as $25 billion and now—with the act you seem to be proud of—the deficits are $170 billion to $180 billion?"

It is a hard question to answer sometimes, Mr. President, but I guess one of the best ways I know to answer is that the programs giving us grief today were passed prior to the time we had a Budget Act. They were passed prior to the time that we had to look 5 years out and see what a program will cost, and how fast it could be expected to grow.

Look back at the record and see what the proponents on the floor said medicare was going to cost; see what medicaid was going to cost; what a 10- or 20-percent increase in Social Security was going to cost; what the cost effect would be for the cost-of-living benefits, or any of the formula programs that were built in prior to the time we had a Budget Act. No one ever looked at those issues a decade ago. Someone would come to the floor and say, "This little program will only cost $5 million this year." They did not say that the next year it would cost $50 million and then the next year $500 million and then maybe it would soon cost $5 billion a year, and on and on.

Mr. President, I still think there is a valid purpose for the act. We are still trying to work our way out, to find a solution to some of the problems we got into beforehand. If you look and see what we have created in the way of new entitlement programs since the act, I think you will find that thus far we have been very successful. A lot of programs that had a lot of support have not passed because the Budget Act has made us look and see how much they were going to cost.

We prepared and enacted this new congressional budget process with an idea I think was as good as it was simple. The first thing we were supposed to do was conduct hearings, gather together the best advice, the best evidence, on economic performance. Based on that information and the input of the Appropriations Committee early in the year we were to fashion a budget resolution and lay out the spending allowances for the committees.

What did that do? Well, I think it did several things, Mr. President. It required us to take a look in the beginning of the year and see how much money we were going to bring in. Then it required us to determine how much money we needed to conduct the Government. Then we had to decide how we were going to cut the Federal pie.

Of course, when the Budget Committee finished its work, then that bill came to the floor and for the first time, Mr. President—not in the history of the Congress, because I cannot say what happened in the first 100 years or so—the Senate and the House conducted a national debate through its elected representatives, on where we should spend the money, what our priorities should be. It was the first time we really had a debate on how much we should spend for education, for highways, for defense, and so forth. Prior to that time, Mr. President, we did not really have that debate.

I was in the State legislature for 12 years and have been in the Congress for 14 years, and I have never voted for a bad appropriations bill. It was always a good bill. It always helped somebody. There was always a group out there saying, "We need it. It is for a good purpose and we ought to have it." But the one thing that was missing, Mr. President, was that there was never anybody who ever said, "Wait a minute. We only have so many dollars. How do we divide up those dollars? How do we decide how much or what percentage should go to education, what percentage should go to defense, and how do we set our priorities?"

So the Budget Act for the first time gave us a number that we worked from to frame those priorities. In the old way of dealing we passed all of these appropriations bills and never added them up until the end of the year to see where we were.

I went to the Appropriations Committee. I wrestled to get on there. I felt that was where the action was. I got on the committee. I went in behind the Senator from Missouri, on his coattails. At that time, I wanted people to think that I had as many votes as he did, but I did not. They expanded the committee by one and put me on.

When I got there, I found that the subcommittees really sat like feudal barons. There was a rule then, and it applies today, which was do not monkey with another person's money. Nobody bothered anybody else's subcommittee. If you were on that subcommittee it proved you were interested in it and you tried to get all the dollars you could for that subcommittee, letting the other subcommittees worry about themselves.

They had a habit of putting in all the money they could in the Appropriations Committee and then come to the floor and offer amendments to add more money. That was done time after time after time. It shocked me, coming from the State legislature where we had to pass the taxes to meet the appropriations before we could go home. We had an appropriations committee that you just died to get on because when that bill went to the floor, if there was one amendment to that bill it was pulled down and went back to committee. So the only way you got on that appropriations committee was if you controlled enough votes to make sure no one amended that bill. Whatever we wanted done had to be done in the appropriations bill so we would have some idea what the spending was going to be and what the controls were going to be.

Up here we did not have that. It was just a game of add, add, add—add all you can.

In the State legislature, we passed one bill, and we knew what that total was. We knew the day we finished the bill we had to start working on the taxes to cover it before we could go home if we had gone above. Here we just pass them all and they begin to add up, and somebody has to crank a little money out, add a little to the deficit, sell a few bonds, and that was that.

I do not think we want to go back to that, Mr. President, I think the Budget Act is meant to keep us from going back. I think that is why the Budget Act says you will not pass any appropriations bills until this Congress sets a ceiling—and it is the Congress, not the Budget Committee—which the committees can meet. I think that was a valid purpose.

I think the process has worked. I do not think we have created any grand and glorious programs, even though, at times, there might have been a groundswell for one new program or another.

Today, we have to determine outyear costs. Congress imposed that discipline on themselves. Now we are supposed to understand that before we arrive at a spending figure, we must determine our spending priority. We

wanted to know exactly where our largest national needs rested. The budget resolution was designed as that blueprint for the spending process and for dividing the pie.

The Appropriations Committee has the full decision of deciding how we spend any money allocated. Thank goodness, they have that, because I do not think that should be the province of any Budget Committee. But today, we seem to want to abandon all that. We are going to pass the pie around and let everybody have a slice. If we run out of pie, then we make some more: We go back to the printing press and just crank it a little bit more. That is how we used to do it. Some may want to do it again, because there are people who want to avoid the Budget Act.

I am sure the President can say, "Even though I am against any sort of compromise that would resolve the budget impasse, I am responsible, because I am going to veto any bill that comes in here." Well, what about the next President? This President might, and this President will veto everything he is against. But he is not going to veto those things that he wants including the higher military number; he is not going to veto that.

This is the President who has just added $5 billion to our deficit by saying we have to provide some more money in social security. That did not comply with the law, either, but Congress rushed to aprove it because these are election times. If someone wants to add a little something in election times, everybody is willing to join in.

Mr. President, here it is August 1. The act is still being avoided. On August 1, Congress and the conferees and the Budget Committee are not meeting, not even thinking seriously about meeting. Here it is, August 1, and we are going ahead with appropriations bills. I do not think we should do that. I do not think we should be going ahead and passing any appropriations bills when we do not have a budget resolution.

What about our budget past? If you look back over the years, we have never gotten this far into the year without agreeing to a budget conference report. We did not do that in 1977, in 1978, in 1979, or in 1981. In all of those years, it was done by May. If you want to look at the years 1980, 1982, and 1983, it was all done by June. So by May or June in every other year, we had a budget resolution. Well, it is not May. It is not June. It is not even July anymore. It is August 1.

Mr. President, I ask unanimous consent that a table showing the dates on which we completed the other budget resolutions be printed in the RECORD at this point.

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

DATES FOR SENATE PASSAGE OF CONFERENCE REPORTS ON FIRST CONCURRENT BUDGET RESOLUTIONS

Congress	Year	Senate	Number
95–1	1977	May 13, 1977	S. Con. Res. 19.
95–2	1978	May 15, 1977	S. Con. Res. 80.
96–1	1979	May 23, 1979	H. Con. Res. 107.
96–2	1980	June 12, 1980	H. Con. Res. 307.
97–1	1981	May 21, 1981	H. Con. Res. 115.
97–2	1982	June 22, 1982	H. Con. Res. 352/S. Con. Res. 92.
98–1	1983	June 23, 1983	H. Con. Res. 91.

Mr. SARBANES. Mr. President, will the Senator yield for a question?

Mr. CHILES. I yield for a question.

Mr. SARBANES. When was the first budget resolution passed by the Senate in this session?

Mr. CHILES. The first budget resolution was passed by the Senate on May 18, Mr. President.

Mr. SARBANES. When was it passed by the House, does the Senator know?

Mr. CHILES. It passed the House on April 5, 5 weeks before we dealt with it.

Mr. SARBANES. So we passed it 2½ months ago; is that correct?

Mr. CHILES. That is correct.

Mr. SARBANES. Did the Senator state earlier the extent to which there had been conferences with respect to the first budget resolution?

Mr. CHILES. It has been almost 2 months since the conferees were appointed. As far as I know, I think we have met four times—June 13, June 14, June 26, and June 27. I say to the distinguished Senator from Maryland, those were all fairly brief meetings. A couple of those meetings did not last more than a few minutes.

Mr. SARBANES. Mr. President, is not this activity or lack of activity on the part of the conferees on the first budget resolution—I know the Senator just put into the RECORD the dates on which the budget resolution was passed finally in previous sessions. But is not this lack of activity on the part of the conferees a marked departure from how the two Houses did business in previous sessions with respect to the budget resolution?

Mr. CHILES. The Senator is correct. Prior to this, in all other years we have had a budget no later than June.

I would say that we had some very tough conferences in those years and had what looked to be nearly insoluble problems. But in every instance, the chairmen were pushing and pushing for meetings and agreement. I would say that sometimes, we probably had as many as 20 meetings in some of those budget conferences. They lasted hour after hour, trying to reach a solution to some virtually irreconcilable problems. This time, we had four meetings, and they were very short.

Our whole hangup here is the defense number. Just to tell the Senator from Maryland where we are on that number, the House has a figure of $286 billion. The Senate has $299 billion. The House, has made two offers, as I understand it. The House said, "We will split." They have offered, I think, 292.5. They say that offer includes a split on the deflator number, and there is a difference of 1 percent between whether you use the DOD deflator or use the CBO deflator. They have offered to split that difference as well.

I said earlier, and I do not know whether the Senator was here, but the distinguished chairman of the committee, the Senator from New Mexico, had a figure in March of $294 billion for defense that he personally supported. That is the figure he carried to the White House, and the White House turned him down. So you see that $292.5 and $294 billion, to the Senator from Florida, looked awfully close.

If the Senator remembers our votes, we had a tie vote on an amendment by the Senator from Florida that would have had defense at a 4-percent increase, which would have been $291 billion. So it is not like the Senate has been so locked on the $299 billion figure. We nearly approved $291 billion, but it failed on a tie.

The House has offered more than that, $292.5 billion. The Senator from New Mexico started off with $294 billion. The numbers are not far apart, but they remain a hangup.

The Republican majority has made a conference offer to "take care of this problem."

They say we will simply have a range. We will allow the high to be the Senate number of 299 and the House can have their number 287, and that range will be our budget number.

Now, I say to the distinguished Senator from Maryland, that settling for ranges is not my idea of what comes out of a conference. I suspect that if the House was to buy that—and they have not shown any evidence that they will buy it—do you not think it would be logical for them to say, "All right, we will take our high number on the domestic spending programs, and we will have a range on that, and the Senate can have the low number?"

Now, I just ask you, Mr. President, how does that work for a budget process? I am a budgeteer. That is where I come from in this problem. If either side can have their high number and either side can have their low, there is no reason for the conference committee to meet; we just pass our separate budgets and we go on from there. In effect, what are we doing in the Appropriations Committee? The Appropriations Committee—by reason of a White House agreement with the majority—has decided that they will not mark up anything higher than the Senate budget mark. They have agreed to that on every item except

defense. No agreement on defense. That one is just hanging out there because they might want to go above $299 billion on defense I guess. We are not even bound by $299 billion on defense.

We know Caspar Weinberger is not satisfied with that. He says we are dismantling the country. I think JOHN TOWER would like more, too.

It is not like we are without a process. The trouble is we have the President and the Republicans agreeing on what the process is. And because they have that agreement the rest of us are supposed to disregard the law on the books called the Budget Act. Let us forget about that. That is just a law.

Now, if I am not mistaken, this is the same President who said we need a constitution amendment to prevent spending. Why is it necessary to have a constitutional amendment to prevent spending when he will not even follow a law on the books passed for the purpose of holding down that spending? I guess it is because that law does not work the way he wants it to. That law would say he may have to compromise his $299 billion number. He may have to come down a few billion dollars from that particular number.

That is where we are right now.

Mr. SARBANES. Will the Senator yield for a further question?

Mr. CHILES. Yes, sir.

Mr. SARBANES. The waiver that is now being sought is required under the Budget Act in order to consider an appropriations bill at a point in time prior to the adoption of the first concurrent resolution, is that correct?

Mr. CHILES. That is correct.

Mr. SARBANES. Even though the amounts in the bill may be less than was contained in the resolution passed by the Senate? It need not necessarily exceed the amount. We simply have not adopted a resolution, is that correct?

Mr. CHILES. That is correct. I tried to make it clear in my opening remarks I am not challenging this bill. I happen to think this agriculture appropriation bill is a good bill. I have applauded the chairman and ranking member. I am a member of the Appropriations Subcommittee dealing with agriculture.

Mr. COCHRAN. If the Senator will yield, it is within the section 302(b) allocation figure.

Mr. CHILES. I knew it could not be far away. It is within the allocation. The point that the Senator from Florida makes is that the purpose of the Budget Act was to give guidance to the Appropriations Committee. That was the purpose—to provide some limitations.

There is one bill that is really a key, and that is the defense bill. That is one area where no guidance is wanted or sought.

Mr. SARBANES. If the Senator will yield further, what we have is a process which was set up to accomplish worthy objectives and which was really neutral in and of itself as to the substantive decision. The budget process does not in effect tell you what the substance of your decision is going to be on defense spending or agricultural spending or any other program spending. It sets up a process by which you get there to impose some order and discipline on that budget process.

Now, what is happening, as I understand it, is that in order to ensure a particular substantive result in the defense area the whole process is being pushed aside and not followed. Of course, what is happening is we are getting a conflict between following the budget process, which I think is extremely important, and by the same token passing appropriations bills at a reasonable and opportune time so that it is available to the departments to know what their spending is going to be for the next year; that we are not always operating on continuing resolutions. Of course, the longer the budget process is held off, the greater the pressure builds to go ahead and enact an appropriation bill anyhow since the beginning of the fiscal year is approaching.

Now, we have enacted I think three of those bills so far. I have long been critical of the failure of the Congress to get the appropriations bills into place before the beginning of the fiscal year. That is no way to do orderly business. I do not care what the level in the appropriation bill might be. I might think it should be higher or lower in a particular appropriation bill. I think it is difficult to quarrel with the proposition that whatever level is finally going to be decided on, it ought to be in place before the fiscal year begins so you can have the orderly flow of governmental business, not rely on continuing resolutions, not have departments go into the next fiscal year without having their budget available to them. But, of course, to do it properly you need to get the budget resolution into place in a reasonable period of time. As the Senator has pointed out, that has happened in every previous year.

We have not always been able to follow along with the appropriations bills in a timely fashion, but now that budget process has been in effect put to one side. As I understand it, the conferees have not met now for over a month.

Mr. CHILES. That is correct. Almost 2 months. I say to the distinguished Senator from Maryland that I think he is right on point. The concern the Senator from Florida has is what does this do to the process of discipline we say we were imposing in the Budget Act. We have all kinds of people who say, "Why can't you all do something to control spending?" All kinds of people say we have to pass a constitutional amendment and other controls. Here we are disregarding a control that we have.

I thought we were supposed to be a country of laws. Here we are a country of men. Some men have decided that what we want to do is more important than the law, so forget the law. I can guarantee you, Mr. President, if we pass that defense appropriation bill, there will not be any problem with this budget resolution. I have heard people say, "Don't worry; before the year is over, once the fight is settled on the defense appropriation bill we will go back and we will pass a budget resolution." Now, is that the way it is supposed to work?

If this President's hangup is defense, what is the next President's hangup going to be? It may be the same thing on some social program, and it may be an area in which he wants more money and refuses to abide discipline, and refuses to allow Congress to work its will.

We have conference committees, and that is the way the House and the Senate reconcile their differences. I guess they have been doing that since Congress began.

Mr. SARBANES. As I understand it, with respect to the differences on the defense figure in the budget resolution, the House has a 287 figure and the Senate had a 299 figure. The Senate, by a tie vote, failed to adopt the 291 figure, and the chairman of the Budget Committee indicated that a 294 figure was acceptable to him, and the House has now offered 292.5. Is that correct?

Mr. CHILES. That is correct.

Mr. SARBANES. So what is happening is that, in order to get the absolute figure that the President is seeking, the whole process has simply been shunted aside. Is that correct?

Mr. CHILES. I understand that the President has said, "I already compromised on defense. I compromised at the White House." Of course, none of us were there, and no House Democrats were there, nobody from this side. But that deal was struck. So we find ourselves hung up.

Mr. President, I understand that the distinguished Senator from Wisconsin would like to make a statement on this, and I am happy to yield to him at this time or to yield the floor.

The PRESIDING OFFICER (Mr. ARMSTRONG). The Senator from Wisconsin.

WHERE IS THE BUDGET?

Mr. PROXMIRE. I thank the Senator from Florida. I know that the chairman of the Budget Committee is on the floor and is waiting.

First, I want to say that I completely support the Senator from Florida. I think he is 100 percent right on this.

Mr. President, in the next few days, the Senate will be passing appropriations bills, we hope, and passing a number of them. Like most things we do, this has a good news-bad news aspect.

The "good news" is that we are fulfilling one of our fundamental responsibilities—providing money to operate the Government. The "bad news" is that we are doing so without a budget resolution. We could be busting the budget into smithereens without a voice being raised to alert us to our transgressions.

I am not an unqualified admirer of the budget process. Like many of my colleagues, I believe we spend too much time on the budget with too few results to show for our efforts. But one part of the process has worked—setting ceilings for nondefense discretionary spending.

Government spending has continued to zoom upward despite passage of the Congressional Budget Act. But the origins of those upward pressures have changed and changed dramatically. Entitlement spending is now under control while funding for defense and interest payments on the national debt have become the new villians in this drama. Because we do not have a budget resolution, we may be witnessing the reincarnation of discretionary spending as a bad guy.

In years past, this Senator can remember the Chairman of the Budget Committee coming to the floor and pointing out that the appropriations for some popular program were over the budget. As a member of the Appropriations Committee, I can testify that those admonitions from Senators Muskie or HOLLINGS or DOMENICI usually worked. They did not make the Budget Committee or the chairman any friends, but spending was restrained. Why have we not heard those warnings this year? Answer: We have no congressional budget resolution.

Both the House and the Senate have passed a differing version of this resolution. But different versions of a resolution do not a budget make. Each House can remain faithful to its version, dot every "i," cross every "t," yet total spending will exceed the ceiling set in either resolution.

Here is how this seemingly illogical result can be achieved. The House version of the resolution has lower spending for defense and higher spending for domestic programs when compared to its Senate counterpart. When appropriations bills are being considered, all the pressures will be to keep defense spending close to the Senate level and domestic spending at the House level. Voila—watch the budget being busted.

If the story ended here, it would be bad enough. But spending the taxpayers' money is not a straightforward process. Over the years, the administration and the Congress have devised a number of means to make more spending seem like less. A committee can deliberately provide a low appropriation for a popular program in anticipation of a supplemental later in the year to make up the difference. This approach has come to be known as "smoke and mirrors" budgeting.

One of the least known but most valuable services provided by the Budget Committees and the Congressional Budget Office was to root out and expose this type of budgeting. For years, we made less use of these tricks because the odds were high that the trickery would be uncovered.

Now, we seem to be moving in the opposite direction. Instead of common assumptions, every committee can make up its own. Instead of standard estimates, openly arrived at, we go behind closed doors and reach informal agreements. While this obfuscation may hide the fact that spending is increasing, at least until after the election, it will only compound the problems we face next year.

Why do we do this? I have no doubt that we are taking this course because this is an election year. Domestic discretionary spending is a relatively small part of the budget—about $150 billion all told. But its political visibility is much higher. It includes all the pork barrel spending that every elected official from the President on down likes to be able to award to his friends. Need a grant? Do not worry. It is an election year. Want a new irrigation project? We can get it for you wholesale. Do you want cheap power? Be our guest. To some extent, this spending takes place every year, but because we have no budget ceiling, it will explode this year.

The dangers of such spending are breathtaking. We are in the midst of an economic recovery which is nearly 2 years old. The gross national product may expand over 6 percent this year after adjusting for inflation. So the budget should be in balance or close to it. But is it? No way. The budget deficit will be around $170 billion this year and may top $200 billion next year at the rate we are going. Talk about a recipe for disaster.

Mr. President, the budget resolution and its spending targets gave us one of the few effective tools to hold down spending. Now, apparently, the Congress has thown that away. Look out, taxpayers, the floodgates are open.

Mr. President, I yield the floor.

Mr. CHILES. 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. DOMENICI. 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. DOMENICI. Mr. President, let me open this discussion with a little table that I wish to put in the RECORD after I have discussed it.

The issue before the Senate is the fact that the first budget resolution is in conference and that the conferees have been unable to arrive at a satisfactory conclusion, and about that there is no doubt. Everything has been resolved in the first budget resolution on all issues that would matter much except the defense issue. So I think if we could resolve the defense issue the conference would be concluded, because I believe most of the domestic targets are satisfactory to the Senate conferees. As a matter of fact, for those who were worried about the appropriated accounts coming in at levels which would significantly and adversely affect the deficit, let me say this is a very different year. The strategy that we planned on this side was significantly different than normal. But what we have agreed upon are some allocations to the various appropriations subcommittees. Not only did we agree upon them with the President, but in an open meeting, the Appropriations Committee took the appropriated accounts and allocated a fixed amount of budget authority to each subcommittee, the sum total of which is budget authority equal to the previous year's budget authority plus an adjustment to take account of the Baker amendment adopted by the Senate during floor debate on the Deficit Reduction Act.

That vote was open and everyone voted on it in the Appropriations Committee, and so what we have effectively done is to assign to each subcommittee an amount of budget authority and we have agreed to allocate in an open meeting, which was bipartisan, and everyone voted on the allocation.

As a matter of fact, if Congress ends up on the nondefense appropriated accounts living within the budget resolution numbers, which this bill that is before us lives within, we will have done as good a job in terms of the targets and the allocations or crosswalks as in years when the Congress adopted the first budget resolution on time.

We seldom have had crosswalks that are the same in both the House of Representatives and Senate. As a consequence there has been a rather confused state of affairs in terms of adding up the budget authority to see where we stood with reference to the targets.

I do not know if we are going to live up to the commitment, and I will explain how we had a different strategy this year in a few moments. But basically the President has said as long as the appropriated accounts do not

exceed those allocations and that cumulative total he will sign the bill.

All I know is that the chairman of the Appropriations Committee on the Senate side has agreed to the allocations and the five bills that we have passed in the Senate, taken together, are consistent with the allocations. A number have already been marked up that are pending floor action and none of them exceed it. I submit that for a very different kind of year, one that is very difficult for the budget process and for this chairman, if we come out with the sum total of budget authority for all appropriated accounts in all of the subcommittees, as we have thus far, we will be doing as good a job as when the Congress adopted a first budget resolution on time.

That does not mean that the first budget resolution is insignificant. As a matter of fact, in this instance, those numbers came principally from the fiscal year 1985 budget resolution that the Senate agreed to. So it served a very good purpose. The resolution has not gone through conference, but has already served a pretty good purpose.

Let me back up and say what was different about this year. Some called the deficit reduction package a downpayment. My friend from Florida thinks it is otherwise, but what we have already passed is a tribute to the budget process. What was done this year in the tax reform package, the COLA deferrals, and all of those entitlements that are part of the package to this point, are included in last year's budget resolution either as reconciled items or as targets of the second resolution which was made binding automatically by language in the first resolution.

So, we will have accomplished a significant amount, most of which is attributable to last year's budget process and all the rest of which is attributable to the first budget resolution this year in the Senate without ever having agreed upon a conference to arrive at those numbers.

I wish more than anyone else in this body that I could go over there and bring you a budget resolution that could pass this body and that would live up to the commitments that I have made to this side of the aisle and to the President of the United States. And I know my responsibility is not only there. It is to everyone.

So what remains? Let me repeat that all substantive issues contemplated by last year's or this year's budget resolutions that are mandatory on this body either been accomplished or are clearly going to be accomplished from the pattern that has already been set.

That leaves defense, and frankly I tried to settle defense in conference. It has become, as I view it, a political issue of very, very high dimension.

Let me take the Senate back so that no one will forget that the Senator from New Mexico frequently has voted for a budget resolution that was not the will of the majority and that did not pass in his own committee. Two times it has been a majority and there have been budget resolutions that I espoused and that I got through. But because I think the system is a good system and because it is going to be needed in this decade as it was never needed before, I have even voted for a budget resolution that I did not favor.

And I have gone to conference on that budget resolution that I did not favor, and I brought back a budget conference report that I did not favor, and I brought back one that uses a bit of ingenuity when there appears to be a stalemate.

Mr. President, the fiscal year 1984 budget resolution was a budget resolution that almost everyone who cares about the budget process said could not be agreed upon and was a waste of time because in our body we were very restrained. In the House not only were they not restrained, but they decided that we were going to have a whole series of billions of dollars in new spending for new programs.

In all deference to my friend from Florida, who helped me with it, and to the chairman of the House committee and a few other people that wanted to get a budget resolution, we decided to do something very different. As you will recall, we set up a reserve fund in the budget resolution which basically, when you look at it, sets some parameters and said here is a low and here is a high target. And we did that for domestic spending.

So what we really did was to create a range, and said, "Since this is a first budget resolution and its sets targets, here are the targets." And since the House has additional programs and additional domestic money right in the budget resolution, we put in a second series of numbers. We said that those too could become operative under certain circumstances.

Now I went to conference this year knowing full well that I had worked very hard to get the President of the United States to agree to basically a new budget. The new budget is what I have just described to this point—agreeing to the tax reforms that were in last year's resolution, agreeing to the entitlement changes that were mandated by it, which we passed, and agreeing to a ceiling on budget authority for the rest of the domestic accounts.

All of that, it is the opinion of the Senator from New Mexico, is going to be accomplished. For those that think it is not enough, they have an opportunity to come to the floor and offer to cut them if they would like; a pretty simple proposition.

For those that thought $50 billion in taxes was not enough, clearly they could have offered amendments. If they wanted to add more taxes they could have added them. They did not. That is over with.

I offered a suggestion that, on defense, rather than get no budget resolution, because that was the only issue remaining—and do not forget that we're talking about first budget resolution targets—I said, "Why don't we treat defense this year like we treated domestic accounts last year? where there appears to be an irreconcilable difference, which may turn out to be rather irrelevant, let's set up a range of numbers. I suggested, "Why don't we use the Senate number and the House number and in the first budget resolution go ahead and say we have this band or these parameters within which the appropriators can work their will in defense matters?"

Now some said, "Isn't that a ridiculous way to couch a first budget resolution on an irreconcilable issue?" Some would say that the analogy with last year does not make sense, and I am sure my friend from Florida will say it was much different. We had all kinds of conditions on the money that we put in the reserve account.

Well, let me tell you, from the practical standpoint, in a first budget resolution on an irreconcilable item, a range of numbers may sound to some as being rather absurd but the Senator from New Mexico suggests quite to the contrary. It is very practical. It has been used before. Now let me tell you what I mean.

I have before me defense spending targets for fiscal years 1980 through 1984. I will tell you what the target was in the first budget and what we actually appropriated.

In fiscal 1980, we exceeded the target by $9.2 billion. And when I say we were off, I hope everybody understands that is really what a first budget resolution is all about. You set a target but you can exceed it and then that is ratified later by the Congress. In fiscal 1981, we exceeded the target by $11.9 billion.

In fiscal 1982, we were under the target by $7.6 billion.

In fiscal 1983, we were under the target by $7.8 billion.

In fiscal 1984, we were under the target by $4 billion.

Now, I just happened to do the arithmetic and it turns out that over the years that I just described, fiscal years 1980 through 1984, we missed the targets by an average of 4 percent. That is what the range has been for purposes of this discussion, 4 percent. The range I offered as a way to solve the defense problem using the House low and the Senate high was 4.4 percent.

Mr. President, I do not want to minimize the urgency of the argument made by the Senator from Florida. I do not want to minimize the fact that

he quite appropriately should be here resisting this motion and calling to our attention the situation that is before us.

On the other hand, neither do I want to minimize importance of us agreeing with the leader of the Senate in his motion to waive and proceed with an agriculture appropriation bill that is clearly within the allocation as I have described it. Once we proceed to consider this bill, Senators will have an opportunity to come here and reduce it if they would like.

Now let me make one last point about defense. It is interesting that there are those who would say that we should not proceed until we have established a defense number in a conference. Well, let me say, Mr. President, if those in the U.S. House, who claim that the budget resolution target number on defense is going to hold up appropriations for defense are serious about it, I issue them a challenge here today. If they would like to have a meeting and commit themselves to indeed producing an appropriation bill, if they are willing to say that if you all can agree on a number, whether it is the $294 billion that my friend from Florida has suggested, the $299 billion that we worked out with the President, or the 5-percent real growth suggested by the House in conference, if they want to make a commitment that they are going to report that bill in due course as a normal appropriation item and do that before we leave here for this general election, then surely the Senator from New Mexico will take that message to the highest places that he can to see if we cannot reach an accord.

I do not believe that is the case. I believe that it is totally politicized at this point.

Mr. CHILES. Has the Senator from New Mexico ever tried that as the head of the conference with the House? Has he ever proposed it? I have been at those meetings. I have not heard him propose that before.

Mr. DOMENICI. As a matter of fact, I say to my friend from Florida, I do not think it is a matter for you, I, and Chairman Jones. I have talked privately about the fact that I do not believe the defense number that we are arguing about here, which is all that is left in the budget resolution, is the real issue.

Mr. CHILES. I would hope the Senator from New Mexico would not go in the corner and I say I do not believe they will agree. I think it is better to say that to the conference.

Mr. DOMENICI. I have said that to the distinguished chairman of the House committee, and told him that I did not think I could tell the President with any certainty that there was genuine interest in reporting a full bill over there regardless of our number.

Mr. CHILES. Have you told him that you would be happy to go to the President and try to get the President to yield in his number if you felt there was an indication that the House would report out a bill?

Mr. DOMENICI. No. What I just said was public and open right here in the Senate so everyone can understand. I do not have any confidence that there is really a desire to produce a full appropriation bill in a timely manner, and consequently it appears to me that all the talk about not getting a budget resolution because of defense is truly irrelevant. It is not the issue. We cannot even get a conference in the authorizing committee to agree. They are at loggerheads. I checked today. They are no closer to agreement than they were 4 or 5 days ago. How in the world is a number in a budget resolution going to really do the job for defense, get us a defense apopropriation bill, which I believe the defense of our country deserves? I just do not believe that is the issue.

I want to conclude my remarks. As I told the Senator from Florida, I have to be at an appropriations meeting. I do not intend at all to cut anybody short. He will have the floor as long as he desires. I ask unanimous consent to have printed in the RECORD a table showing the budget resolution targets in defense versus actual appropriations.

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

FUNCTION 050—NATIONAL DEFENSE BUDGET AUTHORITY

[In billions of dollars]

	Second budget resolution	Actual appropriation	Actual versus second resolution
Fiscal year:			
1976	101.0	103.8	+2.8
1977	112.1	110.4	−1.7
1978	116.4	119.8	+3.4
1979	127.0	127.8	+0.8
1980	141.2	145.8	+4.6
1981	172.7	182.4	+9.7
1982	226.3	218.7	−7.6
1983	253.6	245.8	−7.8
1984	268.6	264.6	−4.0

Mr. DOMENICI. I yield the floor.

Mr. SARBANES. Mr. President, does the Senator have enough time to yield for a question?

Mr. DOMENICI. Of course.

Mr. SARBANES. I think the distinguished chairman.

I want to say, Mr. President, that I have a lot of regard for the chairman of the committee, and for his efforts to make the budget process work over the years. I say to the chairman of the Budget Committee that I think the difficulty that the motion before us places some of us in is that there are two problems here. I have long felt, and have so stated on the floor of the Senate, that it is very important for us to pass appropriations bills before the beginning of the fiscal year. Aside from what the figure is in the appropriations bill over which members may sharply differ and which go to the whole question of priorities, it is not a good way to do business to go into the next fiscal year without the departments having their budgets available to them. In fact, they ought to have it ahead of time so they can begin to do the planning that is necessary. We have done that now with the few appropriation bills here.

So in that sense, I think an effort to clear the appropriation bills as quickly as we can—and particularly before we get into the late September-October period—is to be commended. By the same token, though, we have another important consideration; that is, that the budget process ought to work. It has not been by and large ignored or simply brushed aside. Of course, we are in the situation now that we do not have this first budget resolution. In fact, I think the distinguished Senator from Florida put some material in the RECORD that indicated that in all past years well before this time a first budget resolution had been adopted, it was there as guidance to the Senate as it then proceeded to consider the appropriation bill.

So I think the point that the distinguished Senator from Florida is trying to make here this afternoon about the need to carry this process on through so we are proceeding in an orderly fashion is a very important point. I say to the chairman: what is the prospect that we could get a first budget resolution out of the conference, and then adopted by the two Houses?

That part of the process would have been done properly, completed, and then we would not have this problem of these appropriation bills coming along. And we could deal with the other problem, which is also important, which is getting appropriation bills enacted in a timely fashion, and in particular in sufficient time before the beginning of the fiscal year. All of that ought to be done in terms of the orderly procedures of Government can be carried out.

Mr. DOMENICI. The prospects do not appear great to the Senator from New Mexico. I think I have stated the case for the majority of the conferees here in the last 15 or 20 minutes.

Obviously, if the authorizing committee could come to some agreement, that might shed different light on it. I have made a proposal on the range between the Senate high and the House, low, and tried my best to tell you that it was a reasonable way. We have had to be extremely innovative. The budget process is a wonderful process. It works. It is flexible enough to require some rather ingenious approaches from time to time.

The range that I have suggested is one approach. I would ask that the language which I offered for a range on the target for defense be made a part of the RECORD for those who are interested in this debate. It might be difficult for them to understand. The Senator from New Mexico is so familiar with it. But that will show you in numbers what I had suggested as a majority proposal to the House. I will make it again. I made it again verbally on the phone. The House is not willing to do that. They want to settle on a number. So I do not think the prospects are extremely good that we can accomplish it in the next few days. That is the best I can tell the Senator.

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

PROPOSED RANGE LANGUAGE

The conferees agree that the funding levels reflected in the First Concurrent Budget Resolution for FY 1985, 1986 and 1987, should be targets, as intended by the Budget Act of 1974. The conferees further agree that the conference substitute should not prejudge the outcome of the defense funding level in Function 050, but leave latitude to the authorizing and appropriations processes to determine the final levels for defense for the three years. Therefore, the conference substitute shows a range of defense spending between $299 and $285.7 billion in budget authority for FY 1985 and between $266 and $255.9 billion in outlays for FY 1985. For FY 1986, the range is between $333.7 billion and $310 billion for budget authority and between $294.6 billion and $275.8 billion in outlays; and, for FY 1987, the range is between $372.0 billion and $336.1 billion in budget authority and between $330.4 billion and $303.9 billion in outlays. It is the intent of the conferees that the Second Concurrent Budget Resolution shall reflect the final result of the authorizing and appropriating processes for Function 050. The conferees fully anticipate that the authorization conferences will result in a FY 1985 defense level which will not exceed $299 billion in budget authority for Function 050. It is the expectation of the House conferees that the House Appropriations Committee will report bills that will yield no more than $285.7 billion in budget authority for Function 050. It is the expectation of the Senate conferees that the Senate Appropriations Committee will report defense appropriations bills that will result in a level of spending for Function 050 of $299 billion.

Mr. CHILES addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. I want to say to my good friend from New Mexico that I am going to make a few comments about his statement. I do not feel that he has to be here. I want him to know that before he leaves. I see he is leaving his most able assistant there who will note down any of the things that I say. I just wanted him to know that.

Mr. DOMENICI. Frequently, if I knew that a fellow Senator was going to offer some comments on a statement I made I would not dare leave. In this case, I feel very comfortable leaving. I know you do not agree with me on some of the issues, and I clearly expect you to state it. I am sorry I have to go offer an amendment to the appropriation.

Mr. CHILES. I am not sure I agree with you about whether you should leave or not.

Mr. DOMENICI. Nonetheless, I will have to make that decision.

Mr. CHILES. Mr. President, my good friend from New Mexico did say that this is a very different kind of year. I agree with him on that. I think it is, It is the kind of year divisible by four, an election year. Somehow when those years are divisible by the number four they become difficult. I guess that is the gist of our hangup here. But the distinguished chairman of the committee also talked about this new process that is in place. According to this argument we do not have to worry because the chairman of each of the appropriations subcommittees and the chairman of the full committee have agreed to accept these allocations, and the President has agreed that he will only allow bills to become law if they meet those allocations.

That may be the safest process in the world. But I think we have to agree that it is sort of an ad hoc process. It is not sanctioned in law. It does not cover all of the areas of appropriations because defense is not included in that.

So it seems to me we are putting an ad hoc process in place of the law we passed after long debate between the House and the Senate and long debate among people that had all kinds of different interests and views—whether they were on the Finance Committee, Ways and Means Committee, whether they were on the Appropriations Committee, whether they were interested in the budget process. But now we have a new, ad hoc process that has been arrived at which I suspect three or four Senators, maybe a couple of Republican House Members, the President of the United States, and that process takes the place of the Budget Act and do not because that small group will handle things.

Mr. President, if you have no budget resolution limit, then event if the Appropriations Committees bring out a bill within the budget, there is nothing to prevent floor amendments to add billions of dollars because there is no point of order protection, there is no budget protection, because there is no formal, Budget Committee limit. So somehow this little ad hoc process does not cover the floor, does not cover anything that can happen on the floor. My concern is, what do we do with the budget process in the future? What do we do with years another President, if we have another one of these difficult years?

We have had some problems before. We had a defense number before that was a difference of $12.6 billion between the House and the Senate in 1981. We resolved that difference not quickly, not easily, not without blood, pain, and endless sorts of debates and discussions, but we resolved it. We resolved it because we had the bill and the determination of the leadership, of the people who were in charge of committees, and the people who were in charge of the House and Senate, to say we had to come to a resolution on it, and we had to be able to resolve it. We did.

This year, this very different kind of year, we do not have that.

The Senator from New Mexico has talked about the fact that there has not been anything new presented, that there was a precedent set last year. I think there is a difference.

Last year, we were talking about how to resolve a difference when we had a group of House Members who said, "Look, we are sponsoring some programs to help the poor, to help some areas that have been left out of Government. We have those programs ready in the authorizing committee. We should not be cut off before we ever have our day in those committees."

I scratched my head along with the Senator from New Mexico on how to resolve this in order to get a budget. This was a good-size block of votes in the House. We had to be concerned about that block of votes.

To digress for a moment, Mr. President, to say why we had to be concerned, Republicans do not vote for the budget resolution in the House. They just do not vote for it. Whatever it is, it is too high. It is easier to vote no. If Republicans do not vote for the resolution, that means you have to pass it with Democrats, so you have to be careful. You are dealing with every faction you can think of. They have factions over there, whether it is crabgrass, cut flowers, or one-eyed jacks. They have caucuses over there. If one of the caucuses says, "We are against this and all of our Members are going to be against it," then you are concerned.

If we had our Republican brethren over there who would split with us in that process, it would be different. This was one of the groups we had to deal with.

PETE and I scratched our heads on that and said, "Well, we just set aside a block of money. It will not be as much as their programs are. It will not be like a high in defense of 299 and 297." We did not do that. We took a portion of the money and said, "We will put that into a category and say it cannot be used for anything else."

I have not heard anyone say that about the defense category yet, that it cannot be used for anything else.

Under the House proposals, because they did not accept the caps, they would be free to use the money. Maybe we bound ourselves in the Senate saying we had some caps, but I do not know whether we did on defense or not. Maybe we did.

Anyway, we put in all the dollars.

The other thing we said was, "This money cannot be used for anything else, and these programs will have to pass the authorizing committees of the House and the Senate." We kind of laughed when we said that because we knew those programs were not going anywhere in this Senate. No way. No how.

But we said they had to do that and then they had to go to the President and be signed by him. So we were able to come back and talk to our most conservative colleagues, the Senator presently presiding being one of them, saying, "We do not think you have to worry about this money being spent." Enough of our colleagues understood what we were talking about and said, "You are right, that money is not going anywhere."

Remember, we did not crosswalk it to appropriations. So it did not even go to the Appropriations Committee. It just sort of hung out there in ether.

We are not talking about this range of money being ether, this defense money. It is not part of starwars. It is not going up there on the laser. It is right there. It is in the bosom of the committee where it can be dealt with.

Well, we did that, and they did not go anywhere. If we are talking about setting some precedent like that, where something had to be authorized, had to be passed by both Houses before it could be looked at, then I think we might be talking about a similar precedent.

But what about the precedent we would set under the proposal of the distinguished Senator from New Mexico? What would that precedent say? Would not that precedent say to the House that anytime they wanted to they could say, "We are higher on domestic programs this year, and we think you have cut too low; we think there is more money needed for a jobs program, for a subsidized housing program, for additional money for food stamps, and we want these programs, so we will set up a range. We will take our high figure and you take your figure, and we will battle over that."

There may be a different President in the White House at that time. Where would we stand with that kind of precedent? I do not think they would like that. I do not think that is something we would want to do.

If the House was to work off of its domestic numbers and the Senate of off its higher defense numbers, then we could add $78 billion more to the deficit than either House intended. So we are not talking about nickles and dimes here. We are talking about whether we potentially can add $78 billion to the deficit.

Mr. President, I submit some figures for the record at this time which show the difference between the House's number for domestic and defense, and the Senate figure on those two items, and ask unanimous consent that it be printed in the RECORD at this point.

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

DEFICITS WITH VARIOUS SPENDING LEVELS

	Fiscal year—				4-Year total
	1984	1985	1986	1987	
CBO baseline deficits	189.4	197.2	216.9	245.2	
Baseline minus deficit reduction act	188.1	181.7	193.5	211.7	
Alternative deficits:					
(A) House domestic and Senate defense	180.3	183.7	189.7	205.6	
(B) House domestic and House defense	177.3	172.7	168.5	174.1	
(C) Senate domestic and Senate defense	179.6	181.8	186.2	200.0	
(D) Senate domestic and House defense	176.6	170.8	165.0	168.5	
(E) Highest (A) minus lowest (D)	+3.7	+12.9	+24.7	+37.1	+78.4

Mr. CHILES. Mr. President, I see the distinguished Senator from Nebraska on the floor. He told me that he wished to say a few words on this proposition. I would be happy at this time to yield to him.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I thank the Chair. I thank my friend, the ranking member on the Committee on the Budget, on which I serve.

It is 10 minutes to 3 in the afternoon. I had hoped we could get on with the matter before us, the agriculture appropriations bill, as quickly as possible, because this Senator, for one, has some tremendously important amendments.

At this time, I thank the subcommittee chairman, the Senator from Mississippi [Mr. COCHRAN], who is seated at this time in the majority leader's chair, and the Senator from Missouri [Mr. EAGLETON] who has been on and off the floor in the last few minutes, for the great cooperation we have had from them. They understand agriculture, they understand our problems out there. I shall be offering an amendment or two to try to straighten out that situation a little further. Therefore, Mr. President, I hope that we can get on with the consideration of the appropriations bill at an early hour.

I shall not take a long time to explain the amendments. Some other Senators want to talk on them, but I hope we can move this along.

Let me say, Mr. President, that I congratulate the Senator from Florida for taking the time to bring up this tremendously important matter that has been all but overlooked during the deliberations or lack thereof that we have had in the Senate. I speak specifically, Mr. President, of the fact that on May 15, the U.S. Senate was supposed to have acted on the first concurrent budget resolution. Everyone knows that we have not. We are on an appropriations bill here today and we have not ever come to grips with the budget resolution that is supposed to set some kind of ceiling. That is what the Budget Committee was assigned to do when the Budget Committee was formulated before I came to the Senate.

Since I have been here, Mr. President, this being now my sixth year, the present occupant of the chair, the distinguished Senator from Colorado [Mr. ARMSTRONG], and the Senator from Florida [Mr. CHILES], of course—I see no other Senators on the floor at this time who are on the Budget Committee—I think all would agree that we worked extremely hard, night and day sometimes, to try to beat out a compromise that could pass the U.S. Senate.

The sad thing about all of this is that we are no longer even trying to work out a compromise, either on the first concurrent budget resolution that was supposed to have been passed by no later than May 15 last; we have all but given up in the conference with the House of Representatives on the Department of Defense authorization bill. I happen also to be one of those conferees. Compromise, understanding, trying to recognize the other point of view, have seemingly become lost arts in the U.S. Senate. I say, Mr. President, that that is very sad. It seems, Mr. President, that we go on from impasse to impasse to impasse.

I simply say that, as a freshman Member of this body, it appears to me that the system, the whole process, if you will, is beginning to break down to the detriment not just of the institutions of the U.S. Senate but of the people that we are sent here to represent. One of the senior Members of this body, in whom I have the greatest respect and confidence, said the other day that he can only describe the processes in the Senate today or lack thereof as deteriorating from what this body used to be.

While it is deteriorating and while we do not discharge our responsiblities to follow the rule, while we do pass over that magic May 15 date for the first concurrent budget resolution, and while we pay no attention whatsoever to the date of October 15 upcoming, when we are supposed to have passed the second concurrent resolution—those are things that are hardly ever mentioned, let alone thought about. What has happened, Mr. President? Well, it is a pretty sorry picture when we look at the fiscal affairs of the United States of America today.

Mr. President, in his January 1981 inaugural address, President Reagan made a very keen observation of deficit financing. He said:

> For decades, we have piled deficit upon deficit, mortgaging our future and our children's future, for the convenience of the present. To continue this long trend is to guarantee tremendous social, cultural, and economic upheavals.

Certainly, that is the record since that time that has been presided over by the present President of the United States and all of us here.

Mr. President, let me add a caveat here. I do not stand on the floor of the Senate trying to blame the Democrats or the Republicans or the U.S. Senate or the House of Representatives or the lack of people in leadership positions, because I think we all have a great respect for them. But to a large degree, I believe that the deterioration in the process has begun to set in. I think we can take a look at the stark realities, harking back to what President Reagan said in his inaugural address in January 1981, and measure it from there.

Mr. President, this country is going into debt at a faster rate than every before in history. This country is passing through, right now, the longest real interest rate at the highest rates in its history. That has come about primarily because we have abandoned any pretense—any pretense whatsoever—of coming to grips with the important matter of matching income with outgo. I simply say that I think the great crisis we have in Nebraska and the other farm States today can be primarily attributed to the fact that we have runaway deficits, skyrocketing national debt, that have forced interest rates up to the place that our farmers are presently falling like flies.

It is not only our farmers and ranchers; it is the small business suppliers that form the backup necessary for a successful food plant in America.

How bad is it? It is much worse than most of the people in the United States or the House of Representatives understand today. When you look at the fact that it took us 205 years in the history of the United States of America to reach the $1 trillion debt ceiling and then recognize that that was in 1981, then recognize that, 3 years later, in 1984, we are already past $1.5 trillion—remember, 205 years to get to $1 trillion national debt; 3 years thereafter we are at $1.5 trillion. Certainly, the fastest going into debt that we have ever seen in this country.

Let us put that in terms, if we can, that may make it a little more meaningful. In 1971, every man, woman, and child in the United States of America owed, as their proportionate share of the national debt, approximately $2,000 each. These figures that I give are round or approximate, but they are accurate. So let us start out with 1971. That is not a very long time ago; $2,000 each for every man, woman, and child, or, for a typical family of four, $8,000 that they owed. Ten years later, in 1981, that doubled to $4,000 for every man, woman, and child, or $16,000 for a typical family of four.

And where are we headed now? Under the budget that the President of the United States delivered to us at the beginning of this year, by 1987, 3 years from right now, that will have doubled again to $8,000 for every man, woman, and child in the United States, or $32,000 for every family of four.

I do not know the experience of other Members of the Senate, but my wife and I have three children, five grandchildren and one more upcoming next month. I am ashamed of what we are doing to the young people of this country and most of them do not begin to understand it. As far as my three children are concerned, now out with families of their own, I do not believe they are ever going to begin to be able to start paying off that $32,000 that their families of four owe.

No, Mr. President; I do not believe they are even going to be able to afford the debt service on that magnificent national debt that we are passing on to them because we do not have the courage to bite the bullet. Not passing a budget resolution as required is the first step in the wrong direction, and everything complicates and becomes more perilous after that. When you talk about interest rates today and the percentage of the national debt that we are passing on to the taxpayer or charging off to the deficit, there is an astonishing increase in the percentage of our annual budget which goes for the debt service alone and that does not do anybody any good.

For example, in 1971, interest on the national debt was 7 percent of the total budget, in 1981 it had jumped to 10 percent, in 1985 it was 13 percent, and by 1987 it is confidently predicted that it will be 15 percent. I suspect in all seriousness that it might be even worse.

Mr. President, I again thank the Senator from Florida for giving us a chance to maybe begin to light the fire of understanding, if you will, of what is not being done by the Congress of the United States. Until that is understood, then I suspect we will never be able to move forward with some kind of cooperative effort on both sides of the aisle and between both Chambers to get that job done. In closing, Mr. President, we are not going to be able to get that job done without the understanding, without the cooperation, and without the lambasting by the President of the United States, whoever that individual might be next year.

Mr. President, I yield the floor.

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

The PRESIDING OFFICER (Mr. GORTON). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHILES. 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. CHILES. Mr. President, the Senator from Kentucky, Senator FORD, has come to the floor. He indicates an interest in talking about budget matters. Of course, he knows that I am now talking about whether we should waive the Budget Act and continue to pass appropriation bills when we find ourselves in this dilemma. The law says that we will have a Budget Act. Every other year, we have had an act that has been passed by both Houses by June, in May in most of the years. We find ourselves now in the first of August and no Budget Act and no attempt being made really to resolve the dilemma that we have which hinges primarily on whether the defense number is going to be $299 billion or $286 billion, and that is a $13 billion difference.

We resolved a $12.6 billion difference before. It was not easy. As I said, there was a lot of blood on the floor. But here we find ourselves in a position where really no attempts have been made.

I am delighted to see the Senator from Kentucky, who has a long and abiding interest in the process, and to yield to him in this matter.

The PRESIDING OFFICER. The Senator from Kentucky.

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

Mr. President, I have the dubious honor, I guess, of serving as the cochairman of the temporary Select Committee To Study the Senate Committee System. We have now put together a small staff of two or three people and have started hearings.

Yesterday, we listened to at least a half dozen of our colleagues, along with the majority leader of the Senate, the chairman of the Appropriation Committee, and a distinguished former colleague, Senator Henry Bellmon of Oklahoma. I think it would behoove every Member of the Senate to secure a copy of Senator Bellmon's statement. He talked about problems he now sees, about the ability of the Congress to cope with our economic problems; and the direction we ought to go. So I would suggest to my colleagues that they get a copy of the statement of former Senator Bellmon of Oklahoma. I think it would be enlightening.

The three things he talked about in his statement, and I think it was a

common theme of all those who testified yesterday—and by the way, we will have hearings tomorrow and additional Members of this body will testify—but the theme that ran through the testimony of the first day was the layer upon layer upon layer of problems we have in arriving at a solution to the budget problems of this great country.

We talk about authorization, we talk about appropriations, and we talk about the budget process. We are trying to authorize and appropriate when we have no budget. We have timeframes within which the statute says we must do certain things, but we have gone beyond those.

We find ourselves still working on the budget for the year in which we are operating and the President of the United States has already sent us the budget for next year.

Mr. President, there are at least 21 States—Kentucky included—that have biannual budgets. There is something about that that appeals to me.

Eight years ago there was a piece of legislation on the floor asking for a study of a 2-year budget. I decided 3 years ago that I would introduce a 2-year budget bill. Well, that year I think I got six, maybe eight, Senators to cosponsor the bill. I introduced it in the next session of the Congress and there were some 15 or 16 cosponsors.

Then Senator QUAYLE of Indiana became very interested and introduced a 2-year budget bill. We discussed the differences in our philosophy of a 2-year budget and found that we were not too far apart. So then we combined our resources and introduced the so-called Quayle-Ford 2-year budget bill.

The distinguished chairman of the Governmental Affairs Committee, the Senator from Delaware, Mr. ROTH, has also become interested in a 2-year budget. Others have shown an inclination that this may partially be a way out of our budgetary dilemma.

Let me tell you simply how I see a 2-year budget. It takes 6 months to put the budget together. We would have 18 months to study what we have done and where we are going. This would give us an opportunity to look at the agencies and understand better how they are spending our money.

There are smart people in the U.S. Senate. But the smartest of people cannot instantaneously make a decision. They have to have some time to think it out, to look ahead. Too often we are trying to take care of yesterday today, because we were not able to complete our business then. What should have been completed yesterday—we are still on today.

That is one reason we still have a legislative day. I made a motion here one day that nothing be done to this piece of legislation for 45 legislative days. Well, I think it took about 4 months, maybe 5 months, before 45 legislative days expired. Maybe that is one reason we recess instead of adjourn, so we can continue 1 long day in an effort to get something done.

If we enact a 2-year budget, our States, counties, and communities would have some time to make long-range plans instead of going like a yo-yo when the President sends a budget to Congress. We cannot pass an appropriation bill by October 1, so we meet in late night sessions and finally pass a 15-day continuing resolution. We cannot complete it in 15 days, so we go for 30 days. Then we go for another 30 days. The States are not sure whether they are going to get x amount or y amount or any amount. Then finally we put them on a continuing resolution, and never complete the budget.

I believe, since the budget process was begun a decade ago, only in 1 year have we ever been able to complete the budgetary process on time. It becomes worse and worse every year.

Mr. President, while trying to get more cents out of the dollar, we should give States, counties, and local communities an opportunity to plan so that they may spend their money wisely, rather than going to the bank, borrowing money to keep a program in place that is good for the community and paying interest on that money which dilutes the effectiveness of that program.

The 2-year budget process would switch the Federal Government to a 2-year budget cycle. I have noted as I said earlier, Mr. President, with some satisfaction, that the biennial budget proposal is receiving greater attention in Congress these days. There is some momentum and support of a 2-year budget, I believe because my colleagues who are students of the budgetary process can see the benefits of the proposal that a 2-year budget would bring: Enlarging the timetable for consideration of regular budget resolutions and appropriations measures; avoiding the consequences of rushing through continuing resolutions; allowing additional time for Congress to conduct more meaningful and effective oversight.

An interesting event occurred a couple of years ago. An amendment I offered was enacted to require the Senate Commerce Committee to hold two oversight hearings of the Federal Trade Commission annually, something we normally don't have time to do.

What do you do when you have time for oversight? You bring that agency in. You ask them about their program for the coming year, and how much money they are going to spend? How many employees do they have? How many do they need? They set up a schedule for the first 6 months. At the end of that 6 months you call that agency back in. You go back and review what the agency has said they were going to do, how much money they were going to spend, and what that would accomplish. You review to see if it has transpired or not.

Second, you ask them what they are going to do for the next 6 months. You go through the same procedure. At the end of that budget period they come back in and review the year. You have an opportunity and ability to better scrutinize agencies as to their expenditure of money, as to their ability to carry out programs, as to whether they are following through on the mandate of Congress. It gives us the opportunity to do the job that we were sent here to do.

I know we have a philosophy as propounded by the majority leader that darkness brings light at the end of the tunnel. He said that on the Senate floor, I believe. It meant we would stay in all night. We would stay in late nights. We would stay here as long as it would take until 2 or 3 o'clock in the morning to pass legislation. We do not have the time to debate.

I think the budgetary procedures of the Senate are the chief problems we face as we try to do our job. The 2-year budget process will not solve all of our problems, but it certainly would give us a better opportunity to look at those problems, and give us time to think them through.

Let me reiterate that the 2-year budget would enlarge the timetable for consideration of regular budget resolutions, and avoid the consequences of a rush-through continuing resolution. It would allow the necessary additional time for Congress to conduct more meaningful and effective oversight.

It would reduce the uncertainties which confront State and local governments annually over the future of the federally funded programs.

Mr. CHILES. Mr. President, will the Senator yield at that point?

Mr. FORD. I am glad to yield.

Mr. CHILES. I just wondered about the 2-year budget. I think there are some areas perhaps which we could look at—budgeting some items for more than the 2 years. I think we can start though in streamlining the budget process by making the first resolution binding, eliminating the second one, then codifying our reconciliation process, limiting the time there to prohibit the nonbudgetary items.

You know what we have had in the reconciliation process.

We had some authorizing committees decide they would put something in the reconciliation; that is, a bill that they knew would not go on the floor, or would be filibustered, and come under time constraints. Instead they put it on there so they knew it would limit the time. Certainly that ought to

be a correction we should be looking at. I wonder if the Senator would agree with that.

Mr. FORD. I think that is absolutely correct. I agree with the Senator from Florida because debate is limited under the reconciliation resolution, and legislation is sometimes passed that could not be secured otherwise. We cannot debate it sufficiently and we cannot amend it under the germaneness rules. It is something that we ought to look at very hard.

As I go back, as I think about the theme that went through all the testimony from the majority leader of the Senate to each one of those Senators and former Senators who testified, almost without exception they approve some variation of the 2-year budget. I think at some point we have to give more serious consideration to this change.

We have three committees, maybe four, which have some jurisdiction over a 2-year budget proposal. It will be difficult to get it out. The Budget Committee wants a piece of it, and that is fine. The Governmental Affairs Committee wants a piece of it; the Appropriations Committee wants a piece of it and since it deals with the 1974 Budget Act the Rules Committee has jurisdiction. So we have at least four committees which have an interest in a 2-year budget.

I would like to see us become very serious about it and do something to see if it works. It works for 21 States. Surely, the Federal Government could work under that process.

Second, I go back to the ability of our States to have a long-term opportunity and I refer to 2 years as a long term compared to what we are going through now to be able to spend the money wisely.

If they can look down the road and are not pressured to hurry, they will be able to make the right judgment in the best interests of their citizens. If we can let them know for the next 2 years what they are going to get, they will have the opportunity to make a better judgment.

Mr. CHILES. I think an area in which I have some agreement with the Senator from Kentucky, and I know this is an interest he has had for a long time, feeling very strongly about it, is that there are areas where we could well look at 2-year appropriations. That would take care of a number of problems the Senator has raised.

I have a concern as to whether you can set your budget figures for 2 years because we cannot predict the economy 2 years in advance. The economy can change very quickly.

Mr. FORD. Let me say neither can the States and the States do not have the expertise we should have in the Federal Government to make a judgment on a 2-year budget.

Mr. CHILES. But the States are in a little different situation. As I recall in my State, we got into trouble sometimes when the sales tax receipts would fall out from under us, because our economy is based very much on light tourism and we could get into severe trouble quickly. Then we would have to go back and cut everything.

Mr. FORD. There is a procedure though. In Kentucky, it is the Governor's responsibility under the constitution to ensure a balanced budget.

Mr. CHILES. I understand. But it seems to me that because our actions will affect every State, as well as perhaps affecting the international economy, I think we have to be able to look at that every year and to make adjustments if necessary.

Mr. FORD. Let me ask a question. If you have a 2-year budget in place, I think we should be in reasonably good shape to make budget estimates. We have had some very good people consider this problem. I think Alice Rivlin did an excellent job making budget estimates and pointing to the route we should take. I think we could trust experts of her caliber to help us make judgments on a 2-year budget; or how to provide for proper flexibility.

It is like the constitutional amendment for a balanced budget. For it to work, there must be pressure valves, exceptions, in case something happens, X, Y, Z, whatever it might be.

Mr. CHILES. I think Alice Rivlin and all forecasters we have had before the committee say, "The first year figures we give you we hope are a valid guess. After that we want you to know that they are not, necessarily, because we are just kind of adding on so we cannot say whether they are any kind of a valid guess or not."

I think it gets a lot fuzzier as you get out there beyond the first year.

Mr. FORD. I understand that, but hopefully we can eventually stabilize the economy. Today, we cannot operate under a 1-year budget without a supplemental; a 2-year budget supplemental would also be necessary. I think all of these things can be factored in, but at least we have a timeframe that eases the pressure on those who have to put a budget together. It gives a better opportunity to give thought to where we are going and to find the answers we are looking for. We have to have some time to think these things through to make the best possible judgment.

Mr. CHILES. I see the distinguished Senator from New Mexico has a question. I will be glad to yield to him.

Mr. DOMENICI. Will the Senator yield?

Mr. FORD. I am happy to yield.

Mr. DOMENICI. What I am going to say and the question I am going to ask is in no way intended to be in derogation of the concept of 2-year budgeting. As we move through history, obviously, we have to learn and do things better.

Would the Senator think that in calendar years 1968 through 1975, when we had no Budget Act, that we got more or less appropriations bills passed on time before the new fiscal year compared with calendar years 1976 through 1985?

Mr. FORD. The distinguished Senator from New Mexico knows I do not know that answer. I would have to guess that the Senator is going to say achieved less.

Mr. DOMENICI. I just wanted the Senator's guess.

Mr. FORD. I do not want to guess. I just think if you have a 2-year budget you will get more done, either under the present budget system or that in place before 1975.

Mr. DOMENICI. I do not disagree. The point I was going to make is there is a lot being said in the study committee headed by the distinguished junior Senator from Indiana, about the processes being overlapping; a lot being said about too much time being taken for fiscal matters; a lot being said that might imply that we are not getting our appropriating work done because of the budget process.

If I had some time——

Mr. FORD. The Senator can have all the time he wants to use.

Mr. DOMENICI. But I have to go to a meeting, I am sorry.

I just want the RECORD to reflect that before the Senator from Kentucky and I were even here, in 1968, we did not have any Budget Act. We got one appropriations bill through, I say to my friend from Florida. In 1969, another interesting thing, both bodies were of the same party in 1969, and we got zero appropriations bills on time. In 1970, the same set of facts and zero appropriations bills on time. In 1971, four; in 1972, three; in 1973, zero; in 1974, one; in 1975, zero.

I submit that in the first 5 years of the budget process we got 13, 10, 8, 3, and 1, then we got zero, then we got 1, and then we got 6.

I notice that transportation is in conference, I say to my friend from Florida. I heard that is the first time it has been in conference in 5 years.

I heard last year we passed the human resources bill on time. That was the first time in 7 years.

I submit that it is just a difficult process. Add to it the fact that, for a part of this budget cycle, we have had a Republican Senate and a Democratic House and a President with some very different ideas than his predecessors.

For those who think we spend too much time on the budget process, I submit no matter what processes we have, the majority of the time in the last 3 years was going to be on taxes, on spending, and I submit for about 3 or 4 more years, the majority of the

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time is going to be spent on those, whatever the process. And very serious disagreements are going to occur.

In addition, less new legislation has been passed in the last 5 years under the budget process that is apt to incur obligations in the future than at any similar time since 1962.

Mr. FORD. Will the distinguished Senator yield?

Mr. DOMENICI. One more minute and I shall yield permanently, Mr. President.

Mr. FORD. Mr. President, I yield the floor.

(Mr. WARNER assumed the chair.)

Mr. DOMENICI. Actually, Mr. President, the fact of the matter is that we are not going to escape dealing principally with fiscal matters—appropriations, taxation—and we are going to have to find a way to get that done. From my standpoint, I am for anything new that will accomplish it.

For those who think we can keep the budget process but, somehow or other, we have to assign it to somebody else, I submit that is not going to accomplish anything. Somebody is going to have to do that work and somebody is going to have to present it and somebody is going to have to make independent judgment on it. There is a lot of room for improvement, but basically, for those who think there is some new, utopian way to fix all this and that we have been going through some unauthorized misery for ourselves and this institution and legislatively for the American people since we have had a Budget Act, it just is not true.

The fact of the matter is, ask some of the old timers, as you call them before those committees, what the process was like 15 years ago. I understand you could not get some bills finished in 15 or 20 days, I say to my friend from Florida. They were not budget resolutions and they were not major tax bills. I assume we would look back on that day and say, "What were they wasting time for? Why did they not get on with the business?"

I tell you, Mr. President, I think we do a pretty good job in this place when you consider the kind of rules we operate under. We work by consensus and agreement here. It is almost magical the way Senator BAKER works time agreements. Without it, we would get nowhere.

I submit that is not a function of reorganizing committees, that is not a function of overlapping jurisdictions, authorizing, appropriations, and the like. It is a function of the rules of the Senate and the demeanor of Senators. Maybe we ought to work on that a little bit. When we call a bill up, maybe there ought to be a general understanding that if you have an amendment, you have 10 or 12 hours to get down here for it. Maybe that is something we ought to look into.

I think that is the problem we are having plus the fact we are on too many committees. Maybe he is already finding that, I say to my good friend, the Senator from Kentucky [Mr. FORD], too many assignments in terms of subcommittees and the like. Surely, we ought to be doing something about that.

I guess what I am saying is something along the lines that we all are born with original sin and we all cause delays in that way from time to time and, from time to time, we get religion and do not act that way and we get things done. But that is the way it is always going to be in this body.

I, for one, am willing to sacrifice some of the protections we have as individual Senators, some of the tremendous freedoms we have as Senators, some of the tremendous qualities that come from the liberal rules on germaneness and the like. I am willing to consider some of them. I am even willing to look again at the filibuster. Maybe the post-cloture filibuster ought to be looked at. We did not intend for that to happen.

Generally speaking, Mr. President, we surely ought not to think that we can organize the committee structure in some way so as to remedy our problems with floor action. We shouldn't kid ourselves. When matters get to the floor, it would be the same kind of problem we have been having since before the budget process began when we did not produce a single appropriation bill on time in 1969, not a single one in 1970, not a single one in 1973, all of which was when both bodies were of one party.

Surely, those people who redrew the Budget Act knew all that. They drew it within that context, with that history, in that kind of atmosphere. They were saying we need something better; we need something that will do a little better.

I say that with the knowledge that we have not been able to get a budget resolution this year. I understand that. I have made my point about it today. It is not with a great deal of pride that I have made the argument that we do not have one. But we have gotten them from time to time under difficult circumstances, with both bodies of different persuasions and a President with a very different persuasion than many members of his own party; and nonetheless, we have gotten it done.

I do not have quick fixes for it and I shall be testifying before the Select Committee on the Committee System tomorrow. If I cannot finish tomorrow, perhaps I can find another time convenient to the Senator. I have some suggestions, but I really think anybody looking for Utopia just has to understand that that will not be the case in the U.S. Senate.

Mr. FORD. Mr. President, I understand my distinguished colleague from New Mexico, but maybe we ought to go back to the old budget process. We had much smaller budget deficits then than we do now. Maybe there was something to that procedure.

But, Mr. President, I am not proposing a quick fix. What we are doing now is a quick fix. We cannot fix anything, so we put a Band-Aid on it and call it a continuing resolution.

I do not propose dismantling the current budget process. I want to keep the system but expand it and make it workable. Give Members of this body an opportunity to think things through instead of being pushed right to the wall, to that darkness that brings light at the end of the tunnel.

Mr. President, I understand the Senator from New Mexico. He was here when the new budget process was put into place during the first year of my tenure in the Senate. I stood in awe of the distinguished Senator from Arkansas, Mr. McClellan and the distinguished Senator from Maine, Mr. Muskie, as they debated in our caucus whether a budget committee was desirable or not. We had long and hard debate. But I think we do a disservice not to our constituents when we keep them in limbo on a 15- or a 30- or a 90-day continuing resolution, and then give up and make it a continuing resolution for the rest of the fiscal year. Before you know it we are already starting over, debating the President's budget for the next fiscal year. If we had time for oversight, if we had time to scrutinize the agencies and time to do those things which are in the best interests of the economy and of this country, I think we would perform our job better. A 2-year budget is not utopia; it is not a quick fix, it won't solve our deficit problems, but it will at least give us a better opportunity to address the problems we face. There is not a Member of this Senate, who can give us the detail of expenditures of the various agencies, how much they spend in this program, who much they spend in that program, how many employees they have that affect that program and how many employees affect the next one. I bet there is not a Member of this body who knows how much money was borrowed by a State or local community in order to continue the funding of a program while waiting to learn whether or not we are going to guarantee that money to them. And when they borrow that money, it costs them interest and that dilutes the taxpayer's dollar.

The majority leader of the Senate testified yesterday, along with the chairman of the Appropriations Committee and our distinguished former colleague from Oklahoma—and the theme was authorization, appropria-

tion, and budget: How do you better coordinate the process?

I do not understand the rigid opposition or the attitude. "Yes, it is a good thing and we might get to look at it some day, but we are too busy right now." The reason we are too busy right now is because we cannot get a budget together, we cannot get all our authorization bills out. We cannot appropriate.

Mr. President, this is an item that cries out for consideration. I hope that as we travel down this road in the next 2 or 3 months we can make some kind of judgment as it relates to the 2-year budget process. If States can make it work, maybe we ought to follow their example because they have as many problems as we do, if not more.

Mr. President, I thank the distinguished Senator from Florida for giving me an opportunity to bring this up, and at least point out that there is such a thing as a 2-year budget proposal. It is there. A lot of thoughtful people support it. A lot of knowledgeable people with expertise and experience in running Government say it is the way to go. It will give us the opportunity to better serve our constituencies and find an answer to the economic problems of this country.

The bill on the $200 billion deficit will be due one of these days. The economy cannot continue to improve while being fueled by $200 billion annual deficits. My grandchildren will have to pay the bill. Within the next 3 years we will have doubled the national debt from 1981. If we do not have the time to try to figure out how to take that burden off them, then we are jeopardizing not ourselves but future generations.

Mr. President, again I thank the distinguished Senator from Florida for allowing me this time to speak.

I yield the floor.

Mr. CHILES. I thank the distinguished Senator from Kentucky. He alwasy has well-thought-out reasons for his propositions. I know he spent considerable time in thought on this. While I have some differences with some of those thoughts, I think the points he makes are, in the main, very well taken

I was struck, Mr. President, by some of the observations of the distinguished Senator from New Mexico, the chairman, in his colloquy with the Senator from Kentucky. I think he made a speech more eloquent than mine as to why we should have a budget process, why that process is important, why it should not be scuttled, why we should not lose it by virtue of the fact that one side has decided they do not want to "give" on a figure. It happens to be defense now.

It might be social programs next time. But they are not ready to "give" on that process. And when I listened to what he said about those years before we had the budget process and the fact that we did not pass appropriation bills on time, it reminded me of some of the quagmire that we were in, and especially the way we would start new programs. I see the distinguished former chairman of the Finance Committee and the ranking member is present. I know he will remember that when we started some programs like medicare and medicaid, it was said on the floor, "This little program is just going to cost a few million dollars, never going to be something that we really have to worry about." No one looked 5 years down the line at the cost of the program. We got started and now we cannot get untangled from some of those entitlement programs because no one thought of the future. No one thought about inflation. When we started passing cost-of-living increases, as I recall, when we passed the COLA's, that was because we were trying to restrain a Congress that would get on the floor with a 5-percent raise, and somebody would say, "Make it 10"; or, if it was 10, somebody would say, "Make it 20."

We said that we cannot stand this very long, that we have to put on some restraint. We did not have any idea we could get 14 percent inflation or 16 percent or 18 percent.

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

Mr. CHILES. I yield.

Mr. LONG. I wonder if the Senator was here at the time the Nixon administration became convinced that they should go along with an automatic Social Security cost-of-living adjustment, the COLA the Senator is talking about. Before that time we based Social Security financing on traditional wisdom and the usual way of calculating the income and the receipts.

But this proposal was to give an automatic cost-of-living increase in benefits when the cost of living went up.

Mr. CHILES I happened to have been here. That was 1972, I believe, and I had arrived about 1971. So, I have to plead guilty. I think I was here.

Mr. LONG. The Senator from Louisiana was the chairman of the Finance Committee at that time, and he recalls what happened in the committee.

It seems that the chairman of the House Ways and Means Committee, Mr. Wilbur Mills, had decided to run for the Democratic nomination for President of the United States. Our friend, Mr. Mills, went up to New Hampshire for the New Hampshire primary. His efforts were not going too well, and apparently, it must have seemed to the distinguished chairman that if he would advocate a further increase in Social Security benefits, it would help.

So the chairman of the Ways and Means Committee sent the Senate Finance Committee a wire calling upon us to approve an amendment providing for a further 20-percent, across-the-board increase in Social Security benefits, without any additional tax to pay for any of it. It was all to be paid for by these new actuarial assumptions, so-called dynamic assumptions.

Mr. Mills communicated that he had thought about it, and he had become convinced that we could rely upon these dynamic assumptions, which assume that the economy would continue to grow, that productivity would continue to increase, and that we need not worry too much about unemployment. He believed the dynamic assumptions to be sound.

So the distinguished chairman of the Ways and Means Committee was suggesting to us that we should agree to a Social Security benefit increase, to be financed based on these dynamic assumptions; that in doing so, there need be no tax increase in order to carry the burden of a 20-percent, across-the-board increase, in addition to the automatic cost-of-living increase provision.

When that matter was discussed in the Senate Finance Committee, the Senator from Louisiana asked the Senator from Georgia, Mr. Talmadge, "What do you think would happen if this were offered on the floor of the Senate?"

The Senator from Georgia said that undoubtedly the Senate would adopt the amendment, that it would have too much popular appeal to be defeated.

So the Senator from Louisiana at that point said, "Well, if the Senate is going to do it anyhow, why don't we go ahead and recommend it, and take some credit for giving everybody a 20-percent, across-the-board increase?"

At that point, Senator Hansen spoke up and said, "Mr. Chairman, I'll have to vote my conscience. No matter what anybody else here does, I don't think we can afford anything like this, and I will have to vote against it."

We had a vote in committee, and on a tie vote, the proposal failed.

It was then offered on the Senate floor and was sponsored at that time by Mr. Frank Church, speaking for the Committee on Aging. About half the Senate had signed up as cosponsors. The Senator from Louisiana, following the logic he expressed in the committee, already had indicated that he would vote for it on the floor, so I joined as a cosponsor.

The vote on the Church amendment was 82 to 4. So the Senate went along with the 20-percent, across-the-board increase in benefits, as well as the automatic cost-of-living increase provision. The Senator knows that this was

the beginning of the Social Security solvency problems.

Mr. CHILES. That was 20 percent, and that was built into the base, and was there every year thereafter. I believe a lot of people think that when there is a 3-percent increase or a 5-percent increase, it is that year, and you go back to what the base year was. I think people do not realize that becomes the base.

Mr. LONG. The 3-percent increase goes on top of the 20 percent.

Mr. CHILES. That is right. Human nature has not changed, has it?

The President of the United States said the other day that he thought maybe we would give a 5-percent increase, or $5 billion. We give a cost-of-living increase whether it complies with the law or not. I notice that the Senate got in step with that quickly.

Mr. LONG. That is a good example. The Finance Committee did not even look at that measure in committee. The amendment was offered on the floor, and everybody jumped on board; and it is going to cost billions of dollars, assuming that it does actually result in a cost-of-living increase which otherwise would not have occurred.

Mr. CHILES. Because I was not here when we passed Medicare, I wonder if the Senator will tell me if we had any idea at that time what the potential costs were of that program.

Mr. LONG. Mr. President, the cost of medicare was estimated to be considerably below what it proved to be. But that was nothing compared to what occurred with regard to medicaid, which, as the Senator knows, costs many billions of dollars a year. In fact, I hope the Senator might provide us with the actual medicaid cost, if the staff has it.

Mr. CHILES. We will have that in a minute.

Mr. LONG. Medicare greatly exceeded the original estimates. We had to call hearings and try to make some plans to do something about the cost problem. But that is nothing, or practically nothing, in relative terms, compared to what happened with the medicaid proposal. That proposal was initially estimated by the Department to cost us about $200 million a year. In short order, the thing was costing us $10 billion a year. I believe $10 billion is 50 times $200 million.

I hate to report this. But my duty as a man of honor requires me to tell the truth on this subject, and I have to do it.

Mr. CHILES. I have those figures now. It is $21 billion in 1984, projected to go to $23 billion in 1985.

Mr. LONG. Is that the cost of medicaid?

Mr. CHILES. That is medicaid. That is the Federal share.

Mr. LONG. Only the Federal share.

Mr. CHILES. It is not the States' share.

Mr. LONG. There we have a program which is costing 100 times what the estimate was when we voted it into law.

I was disappointed at the time when it was costing about $5 billion a year, which was only about 25 times the original estimate. I looked into the matter to see how this estimate was arrived at.

Does the Senator know how they arrived at the conclusion that this medicaid program was only going to cost $200 million a year?

Mr. CHILES. No; I do not know.

Mr. LONG. Let me just inform the distinguished ranking minority member of the Budget Committee. It was assumed by the Department that if the States continued to spend the same amount of money they were spending, and you added to it a generous amount of Federal matching, which could be up to 83 percent of the overall cost—that would be like putting up $5 in Federal funds every time the State puts up $1—if you proceed on that basis, it was estimated that this program would only cost $200 million.

Nowhere in the assumptions did there appear any question what would happen if the States said, "If we put more money in this thing, the Federal Government will put up maybe three times what we are putting up." So, nowhere did anyone estimate what the additional State contribution would be if the Federal Government was matching it two dollars for one or more than two for one. No one in the Department for a moment estimated what would happen in that case. In fact, for that matter, no one even estimated what would happen if the State would simply take some medical services that it was providing by itself and change its way of doing business so that those costs would be matched by the Federal Government rather than leave it the way it was, where they did not get the matching.

Mr. CHILES. The Senator is talking about the county hospitals and county homes and all of those things that used to be provided for out of local tax dollars that the State did not provide.

Mr. LONG. Of course.

Mr. CHILES. I was in the State legislature at that time and I do remember when we said: "Now, wait a minute we have this Federal program coming now; we have to change some processes here."

Mr. LONG. Of course.

No one ever challenged the Department's assumption. In fact, I hate to say this, I feel ashamed to report this, but that is why we needed to adopt a budget process.

Mr. CHILES. The Senator is right.

Mr. LONG. It never occurred to people to go into all this and say, "Hold on; let us take these assumptions apart and see how they arrive at this number because that might not be a safe assumption." It never occurred at that point to anyone to take all the elements of the assumption apart and say, "Look, why could not these States, providing medical services that do not now qualify for matching, simply make a small modification in the way they have been doing business so that this would then qualify for matching, without any increase in State spending."

If we had looked into the matter, we would have seen that it was going to cost us a lot more than $200 million.

Mr. CHILES. I listened carefully to what the Senator from Louisiana said. The point really struck me when he noted we did not have a process that made us look closely, and that was the reason we finally decided we had to pass the budget process. We realized we had gotten ourselves in trouble. We started some programs that without considering the longrun cost. What we needed was a Congressional Budget Office, some group independent of the White House. We knew OMB had some numbers people but they had to rely on those in the White House. We have seen it happen to Presidents in our party as we have seen it happen to to other side. At to those figures they sort of cut the cloth to fit the pattern at the time.

As I think about what the Senator from Louisiana said, I wonder if he will think through with me a minute. When I got here, one of the most pressing demands for a program that I knew about in my State and in the country was the program for national health insurance. I can tell the Senator the people wanted that.

Mr. LONG. Yes.

Mr. CHILES. That was popular. I did not go to any meeting in which people did not say, "Are you going to be for national health insurance?" And I think the Senator from Florida said it sometime, "I am for motherhood and I have to be for national health insurance."

But I remember it, and the Senator from Louisiana was on the Finance Committee where the legislation would have to be written. There were a number of bills introduced and those bills were getting a lot of support, just like we saw support for medicare and medicaid. But as I recall, about that time along came the budget process and it was the Finance Committee and others that started asking CBO, "What does it look like the cost of these programs will be?" And when those numbers came back, everyone said, "Wait a minute, that plan will not do it."

Then the distinguished Senator from Connecticut started talking about catastrophic health insurance,

that it was the way to start off, to bite a piece at a time, and I thought that made sense.

But when we started looking at those numbers, someone said, "Wait a minute, every hospital that has these life-prolonging machines, if you have catastrophic insurance, the longer they run those machines, the less they cost them." If you have one, whatever it is, a dialysis machine or a catscanner, as long as you can keep a heartbeat going, they will get paid. And that catastrophic insurance will be catastrophic to the budget, catastrophic in dollars.

It never seemed that we could work that one out.

But the fact that we finally had to look forward 5 years to see the future costs of these programs that kept us from going too fast, too soon.

Mr. LONG. It was not all that, but that definitely played a part.

As the Senator knows so well, those of us who felt that catastrophic insurance would not cost all that much introduced bills to try to move in that direction. The Senator from Louisiana did, and he had a bill in and had some cosponsors on it.

Then on one of our bills we thought that there would be a good chance in a small way to try the catastrophic insurance out.

So Senator Hartke offered a floor amendment, and I joined as a cosponsor. It was one of the times I was managing one of the social security bills. We said that if you have a failing kidney and you need kidney dialysis we could take care of the kidney dialysis under the medicare program. So we had then what amounted to a catastrophic illness program for kidney dialysis patients.

The Senator can recall what happened. We had good-faith estimates on what that would cost, and I think that was a good estimate based on how much it would cost to do this sort of thing before the Federal Government started paying for it.

The Senator knows that when we put the program into effect, the cost just mushroomed. The number of people who sought kidney dialysis turned out to be much higher than estimated. The costs were so much higher than we had been told that it made all of us begin to take a second look at the idea of catastrophic health insurance.

Catastrophic health insurance is still not the law, and one of the main reasons is the escalation of the cost that occurred in the other program.

Perhaps the Senator might have some figures, or his staff might have some figures, to help us to show how the cost of that program mushroomed, when we saw what happened when we tried a catastrophic program even on a small basis in one specific area.

Mr. CHILES. I am confident that number is over $1 billion that we are paying on kidney dialysis.

Mr. LONG. It is well over $1 billion.

Mr. CHILES. Yes. I think it was originally estimated at $230 million in 1974. By 1982 it had climbed to $1.8 billion. And in 1984, the figure is $2.6 billion. That's a notable example of actual costs exceeding original prediction in fact, it's over ten times as much.

Mr. LONG. We estimated it would be a mere fraction of that.

It is not the popular thing to do, but our duty to the taxpayer really requires us to hold the line and vote against a popular proposal such as the one to provide catastrophic illness insurance, or to provide some other worthy benefit to a lot of nice people out there. We fight to hold the ground to try to protect the budget and the taxpayers. It used to be that when we came out here on the floor we had no allies to speak of, as was just indicated by the example of the amendment on the 20-percent across-the-board Social Security increase.

One of the great contributions of the budget process is that it at least give us some allies we could look to. We had a right to expect the help of the people on the Budget Committee, every responsible member, at least the chairman, the ranking member, and the dedicated members on that committee—I am not saying they are all equally dedicated, but a lot of them were dedicated and still are. The dedicated members on that committee could be expected to join forces and help us to hold our ground if we had the courage to try to protect the integrity of the budget and to try to keep spending from getting out of line.

I just would hate to see the budget process go out of the picture without at least finding something to take its place. And if it is going to fall into disuse—if we are going to have rules, but we are not going to follow the rules; we are just going to keep brushing them aside and not abiding by them—I see no alternative but, in due course, there would no longer be a budget process.

Mr. CHILES. It seems to me as though the Finance Committee followed the rules, did they not? The Finance Committee honored everything in the budget resolution, and the debt reduction bill in this body was honored by the Finance Committee. It was not easy to do.

Mr. LONG. The Senator from Louisiana did not vote for the budget resolution in the Senate this year for the reason that he thought the deficit absolutely was going to be too big. And the final product had the deficit increasing in the outyears. I thought, "Heavens to Betsy, can't we at least have a budget resolution where the deficits will get smaller rather than larger?" So the Senator voted against the resolution for that reason.

But what the Senate did pass was at least a restraint, an effort to restrain unlimited spending. That resolution was the will of the majority of the Senate. Even though the Senator from Louisiana did not think there was enough fiscal discipline in it, it is better than nothing at all.

Mr. CHILES. I agree with the Senator in that, but I agree with his other statement, as well.

Mr. LONG. We on the Finance Committee went to work in good faith and we have complied with what the Senate passed. We have passed both the tax increases and the spending cuts in the Finance Committee. And may I say to the Senator that in the Finance Committee is where all the burden of raising the taxes falls. That is the unpleasant part of it, I should think. But it is not pleasant to cut spending, either. We also did the spending cuts that we were called upon to do.

We have done our part, and now we are in a position to ask, "Why don't others?" Frankly, I am not pointing the finger at our Budget Committee, and I am not pointing the finger at the House Budget Committee, but I am pointing the finger at the mix. Why do these people not get together? Why do they not get together and agree on something?

Mr. CHILES. We did in every other year. As the Senator knows, by June, May in most of the years, but by June in every other year we have passed and had out of conference a budget resolution. That was the pattern that we followed. This year is the first time we have not done that.

Mr. LONG. Mr. President, if I might say, just as one Senator, it seems to me that we on the Finance Committee have done the most unpleasant task. We have made spending cuts that affect old people and that affects sick people. We have cut the part with respect to entitlements and we have raised all those taxes.

Now, if we can do all that, why, for Pete's sake, cannot the people on the Budget Committee get together and come up here with something to come within what we recommended in the Senate and what the House recommended on it? If we cannot follow the Senate proposal, follow the House approval. Why can they not come together?

Mr. CHILES. I think the answer is that we could and we should. But if we have an agreement in which the White House says, "we have worked this out with some of the leadership of the majority party and some of the leadership on the minority party over at the House. We have already had our agreement. We have already had our compromise. We did it down at the

Rose Garden. We are not changing any of those numbers. Just don't change any of those numbers. That has already been done," then, as long as people in the majority party feel bound by that, there is not much we can do. We have only had four meetings in the conference. The conference went in in June. We met four times on June 13, June 14, June 26, and June 27.

Mr. BYRD. Will the Senator yield?

Mr. CHILES. Yes.

Mr. BYRD. The distinguished Senator from Florida, I believe, made some reference to people at the White House having worked out something with the leadership on the minority side.

Mr. CHILES. No; I said the minority in the House. I said the majority side in the Senate and the minority in the House.

Mr. LONG. Mr. President, the Senator said that the committee has met on four occasions. Can he give me an estimate as to how many hours those committee meetings were?

Mr. CHILES. In no instance was it an hour, I do not think; in a couple of them, it was 15 or 20 minutes.

Mr. LONG. In no case beyond an hour?

Mr. CHILES. No. Well, my staff says one time it was more than an hour, but it must have been with some rollcall votes.

Mr. LONG. In terms of overall time, how much time would the Senator say that the House and Senate Budget Committees have met to try to resolve their differences?

Mr. CHILES. I would say less than 5 hours; 6 would be the total outside.

Mr. LONG. Is the Senator aware of what the Finance Committee did trying in fulfilling our part of the job?

Mr. CHILES. I hate to have the Senator tell me.

Mr. LONG. We met around the clock—around the clock. We would meet until past midnight, maybe 2 o'clock one morning. Then the chairman of the conference would be kind to us and say, "Well, now, take the rest of the day off and be here at 8 o'clock this morning." So in about 6 or 8 hours, we would be back in there.

We would work until past midnight. The Senate conferees and the House conferees on that tax bill would work past midnight. We would start at 10 o'clock in the morning and work past midnight. Then, in the early hours of the morning, the chairman of the conference would say, "Well, now, you just take the rest of this day off." Take the rest of it off? The day was gone. It had been gone for 3 or 4 hours.

We would come back at 10 o'clock in the morning, and then we would meet all day that day and all night that night, all the way through to maybe 5 or 6 o'clock the next morning.

Mr. CHILES. Let me ask the Senator from Louisiana: Is this his idea of a conference? He has had so much more experience than I have at conferencing with the Ways and Means Committee where they really get serious about things and talk big bucks. Has he ever had a conference in which you took the high number of one House and the low number of the other and said, "We are just going to have a range. You can go anywhere between that high number and that lower number in that proposition? That is the offer of the majority party. The offer on defense is that we will take $299 billion, and you can take $286 billion and we will say that is a range, so we can go anywhere between the range." Has the Senator ever had a conference like that?

Mr. LONG. We have not done it exactly that way. What tends to happen in our committee, if we had a number, say it is 200, and the House has a number of 100, if we cannot get together, we would say, "Let's make it 150. Let's split the difference."

Mr. CHILES. The House has offered to do that, and the Senate majority summarily rejected that. The House has offered to split already, but that has been totally rejected.

Mr. LONG. Well, often in conference, if we could not resolve it any other way, we would say we will split the difference, which in effect says neither side agrees with the other side. "We don't agree with you for a moment, and you don't agree with us for a moment. But you have a figure that says 200 and we have a figure that says 100; just split the difference. So if you are wrong, you are only half wrong; and if we are wrong, we are only half wrong. Let's just split the difference."

I think it has been resolved in that way in conferences in which this Senator has been a member more than it has the other way. But certainly there are ways to resolve something like that.

I would say to the Senator that he would be surprised at how much more likely people are to consider a proposition of that sort after you have them up for 24 hours in a row.

You just keep them in there working for 24 hours—after about 16 or 18 hours they get to be more reasonable. After 24 hours they soften up a little. After 30 hours they will soften up some more. So if you keep them there, make them put their nose to the grindstone, after a while they will come around.

Mr. CHILES. Is the Senator from Louisiana being somewhat critical of the fact that over the last 2 months we have only spent 5 hours on this basis?

Mr. LONG. I am not necessarily critical. I am here to suggest that the Finance and Ways and Means conference met around the clock, 24 hours running long hours for days on end.

Mr. CHILES. I think the Senator knows I am being facetious. I think he has made a very, very good point.

Mr. LONG. Of course, I certainly think that the Budget Committee could meet for more than 5 hours even on a single day. If we could meet for as long as 16 to 20 hours, you would certainly think the Budget Committee members of the two sides do meet for more than 5 hours on 1 day, not just on 4 different days. I think it certainly ought to be possible to work something out.

Mr. COCHRAN. Mr. President, will the Senator from Louisiana yield for a question?

Mr. CHILES. I would be happy to yield.

Mr. COCHRAN. In connection with the fact that this debate has taken some 3, 4 hours now, will the Senator agree with me when I answer other Senators that the reason for this discussion is not because this appropriations bill is over the budget, and there is no effort being made to single this bill out as an example of an effort to spend more than the Senate had agreed to budget for these programs that are funded by this bill?

Mr. CHILES. I would certainly agree with that. I have tried to make that point from my opening statement on. Maybe I need to stop every 15 minutes and say that.

Mr. COCHRAN. I would not suggest the Senator needs to do that. But since such a great deal of time has passed, there has been some question.

Mr. CHILES. I think that is true. I would certainly say there is no way this bill can be over the budget resolution because we do not have a budget resolution.

Mr. COCHRAN. I would like to indicate what in my opinion is an important point about this appropriations bill in light of the discussion that is going on right now.

If the President's request for supplemental funding is approved by Congress this year, this bill for spending in fiscal year 1985 will be $292 million below the fiscal year 1984 levels of spending. I think that is significant. It certainly is relevant to the discussion that has been taking place on why it is necessary for the Senate to do everything possible to restrain the growth in spending. This bill is an example of spending restraint. It is interesting that the consideration of the bill is being held up. I am not criticizing the discussion. We are looking for ways to get a handle on the budget.

It is sort of like whatever this downpayment of deficit reduction was, is gone. The fact that we do not have a budget resolution—well, as the Senator from New Mexico says, this is a very different year. I worry about the

process. I worry about what happens to the time and the effort that has been put into the Budget Act, and what I think does have some valid purposes. I think the Senator from Louisiana helped very much to bring that out on the floor.

When we look at where we are in trouble on this deficit, it is basically programs that we started before we had this kind of act, and it is not paying attention to facts that literally came out because a lot of facts came out even in 1980-81 on the tax cut and all. But a lot of people did not want to pay attention to the fact that you can make some magic. We had a new theory of supply economics—that you could tax cut all you want to and build up the income. Well, it has not worked.

I am convinced that the Budget Act is the basis of trying to invoke some discipline here. I listen to people talk about the need for a balanced budget.

Mr. CHILES. I want to hasten to agree with the Senator about everything he says about this bill, everything he says about the work of the distinguished chairman from Mississippi on this, and the ranking member, the Senator from Missouri, because I think they have continually produced bills that come within the parameters.

The argument I challenge is on appropriation bills. I will tell the distinguished Senator from Mississippi and I will say this to the Senator from Louisiana. I feel it is a travesty. It is a disgrace. It is a derogation of our duty that we have not met in the conference as the Finance Committee and the Ways and Means Committee met, and that we have not brought out a budget resolution.

What the Senator from Florida began to see when he shaved in the morning was a person you could almost say was becoming a coconspirator because he was sitting idly by, not having anything to say. And has the press had anything to write about the fact that there is no budget resolution? That is not very big news. I do not see much about it. I do not hear much about it.

We have not been doing much, and it has taken a long time not to do it.

My God, how long will it take us to pass a constitutional amendment? This country will be totally bankrupt before that can happen.

My concern is if we let this process go down the drain, if we cannot use it in a hard case—let us agree this is a hard case on the defense number. But if we cannot use it, if we cannot do as the Senator from Louisiana says, put people in a room and by gosh keep them there until we come up with something, then I think we risk losing the process. And the fact the Senator from Florida says he is becoming a cosponsor to this bill rather than sitting silent means that I decided maybe we need to go back and have the Senate understand a little bit more about that.

It is interesting to note that 64 people in the Senate were not here in 1974 when we passed the Budget Act, and when those of us felt that we had to do something finally. I remember those debates.

They were rough as they could be because we were impinging on people's jurisdiction. I remember some of the strongest debates I ever heard, and good debates at that time, by the way, by the Senator from Louisiana, the Senator from Maine, the Senator from Arkansas, and the chairman of the Appropriations Committee. I mean there was blood on the floor. It took place here. It took place in the caucus. It took place in the halls. It was all around us. Yet through all of that, there was a pressing sort of feeling that we had to do something. We were in disarray. We had to do something.

I wonder now. Maybe the 64 that were not here do not understand that. Maybe it is time to go back, try to educate some people, and talk to them, rebuild an institutional memory.

So that is what the Senator from Florida is concerned about. It is not this bill, and not what is in this bill. I hope the chairman understands that. I want to send that word high and everywhere I can.

Mr. COCHRAN. I thank the distingished Senator, Mr. President, for his comments and appreciate his kind words very much.

Mr. CHILES. I yield at this time to the distinguished Senator from Tennessee who has been a very, very valuable member of the Budget Committee, has worked long and hard in trying to enforce the processes, and in trying to bring about some deficit reduction. I yield to him at this time.

Mr. BYRD. Mr. President, would the distinguished Senator from Tennessee yield?

Mr. SASSER. I yield to the minority leader.

Mr. BYRD. I thank the distinguished Senator.

On a happier note, Senator CHILES became a grandfather for the second time at 2:30 p.m. today, Mr. President.

So for the second time he has been able to taste immortality. He now can see himself continuing on beyond the normal span of life for any of us. His son, Bud, and his daughter-in-law, Kitty, had born to them this beautiful little girl today. She weighed 7 pounds and 2 ounces and her name is Katherine Anne. So I, as a grandfather, wish to commend the distinguished Senator from Florida. This event is of far greater importance than that about which he has spent his time talking about all day in the Senate. [Laughter.] I am amazed that he is even in the Senate this afternoon. He should be commended for being at his post of duty on the Senate floor as the ranking member of the Budget Committee at a time when this happy event occurred I compliment him. I extend to Kitty and the baby every good and perfect wish, not only for today, but also throughout the long months and years ahead.

Mr. CHILES. I thank very much the Senator from West Virginia. While I have been talking, my daughter-in-law has been producing. [Laughter.]

This is a very glad event for our family. This is their second child.

This makes me a grandfather four times, two boys and two girls. It is a happy event for them because their first child was born of a pregnancy that lasted just 5½ months. Lawton IV, because he was born so premature, weighed just a little over a pound and went to under a pound shortly after his birth. He was truly a miracle baby. The University of Florida prenatal clinic, where their great work helped so much, had some of the doctors saying they did not claim all the credit but it was the "Man Up There." I certainly acknowledge that. The Good Lord performed a miracle.

But our new granddaughter Katherine Anne, arrrived after 9 months and 1 week. So we are averaging up. We are almost to 7 months now.

I very much thank the distinguished minority leader for his comments.

Mr. BYRD. Mr. President, did I understand the distinguished Senator from Florida to refer to Lawton IV?

Mr. CHILES. That is correct.

Mr. BYRD. I hope as the years go by there will be many, many more Lawtons. We certainly hope that the Senator will be the grandfather, the great-grandfather, the great-great-grandfather of many future Lawtons. Based on the quality of the work of the Senator from Florida and his dedication to the Senate, and to his people, I would join in the hope that there will not be any end to the number of Lawtons as the years come and go.

Mr. CHILES. I thank the Senator.

Mr. BYRD. I thank the Senator from Tennessee.

Mr. SASSER. I thank the minority leader.

Mr. President, I rise to comment briefly on the status of the congressional budget process.

It is fair to say that at this point the congressional budget process is dead in the water. These appears to be little prospect of resolving the major difference in defense spending which is currently the primary obstacle in achieving a budget resolution for the upcoming fiscal year.

This is unfortunate. In effect we are saying that the budget process does not really matter. In effect we are reinforcing the growing disillusionment with the budget process amongst Members of this body—a disillusion-

ment this Senator shares to some extent. In effect we are demonstrating to the American people that we are incapable of dealing with the serious economic issues facing the Nation.

In effect, we are abrogating our responsibility to put the financial house of the country in order. In effect, we are relinquishing our obligation to abide by the Congressional Budget Act, which is the law of the land.

By our actions thus far, we are essentially sentencing the congressional budget process to a state of limbo—declaring the process irrelevant. Why? Because the administration refuses to accomodate the process of compromise with regard to the level of defense spending. We are relegating the congressional budget process to oblivion because no agreement can be reached on defense spending.

It is ironic that the process which sounded the opening gun of the Reagan economic revolution just 3 years ago is not the same process which is being abandoned by the majority leadership in this body and the White House. It is ironic that at the same time that administration officials are attempting to refute the President's chief economic adviser until just a few days ago, Dr. Feldstein, on the importance of large and seemingly uncontrollable deficits, at the same time the administration is trying to downplay the impact of these deficits on the future of the economy, and at the same time that they are making public pronouncements saying that deficits do not really matter—in essence, that is what the Secretary of the Treasury has said on more than one occasion—a consensus is building and growing every day of the need to confront these large deficits.

The public opinion polls are beginning to show the question of the massive Federal deficit is of paramount importance to Main Street and to the man and woman on Main Street.

Yet, despite the accumulation of evidence citing the need to reduce these deficits, and despite the President's own public appeal for a balanced budget, the intransigence being exhibited against an economic blueprint for establishing such goals simply defies comprehension.

I will not engage in a debate over the potential damage the high-deficit policies of this administration will cause. It seems clear enough that the accumulated expertise of most economists and financial analysts speaks for itself. Indeed, economic history speaks for itself. What is essential to this discussion, however, is the need for order and procedure. The congressional budget process was established in order that Congress would have the tools necessary to analyze, in a macroeconomic perspective, the direction of the economy. To abandon at this point in the name of political convenience, is outrageous and borders on the irresponsible. I submit that this does not serve the people of this country in a fiscally responsible manner.

It is time, Mr. President, for us to cut the rhetoric and to adhere to the budget process, to adhere to the law of this land. Why? Because the stakes are so large.

What is at stake is the future economic viability of this Nation, indeed the future economic viability of all of what we like to call the Western World, the free world. We simply must not abandon the congressional budget process at this very critical and crucial time.

It is sad to say that currently we are in a state of budgetary chaos.

It is time to stop the political posturing. It is time to get down to some hard work, to some compromises, dealing with the important issues; getting together in a room, as the Senator from Louisiana suggested, and making the hard decisions, making the decisions that the people of this country expect us to make. It is time to get on, Mr. President, with the budget process. We should not waste another day in doing so because for each day that is wasted, that is a day that is lost and that we cannot recall.

Mr. President, I yield the floor.

Mr. CHILES. Mr. President, I understand that the majority leader had some indication that he would like to return to morning business for some time and then maybe put us out.

Mr. COCHRAN. Mr. President, until we can see what the situation is and what the majority leader's wishes are, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. D'AMATO). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. TSONGAS. Mr. President, I wish to add my voice to those objecting to proceeding on the agricultural appropriations bill. This is a matter of principal—not objection to the specifics of the bill itself.

Mr. President, it seems to me that the Senate should abide by its rules. Ten years ago, the Congressional Budget and Impoundment Control Act became law. Its intent was to correct a glaring flaw in the budget process, namely the piecemeal approach to spending and tax policies. The Budget Act was passed to impose coherence and establish priorities in our fiscal policymaking.

Today, we are undermining this budget process. By turning to appropriations bills without a budget resolution that sets overall levels of spending and revenues, we are admitting our inability to agree, to set budget priorities, or to establish spending goals. It is as though I were to take out my checkbook and start writing checks without paying any attention to my bank balance.

Mr. President, this is an unfortunate approach to budget policy. It is particularly damaging in today's economy. Huge budget deficits not only threaten our present recovery but will undermine future living standards for years to come unless action is taken soon. By failing to pass a budget resolution, we are sending signals to Wall Street and Main Street that we are not willing to shoulder our responsibilities, that instead, we wish to bury the spending issue in a piecemeal approach—an approach that conceals spending policy at a time when it should be openly debated.

At the risk of sounding like a broken record, I want to underscore again the problems that these deficits are causing and the dangers that they pose. Paul Volcker, Chairman of the Federal Reserve Board, has told us time and again that interest rates will not fall until we in the Congress take a much bigger bite out of the deficit. The high interest rates may be palatable to some of us, but not if we are trying to buy a home, start up a new business, or export to markets where the overvalued dollar has made our products so expensive that we cannot sell them.

And this is only the tip of the iceberg. What worries me seriously is the impact that these whopping deficits are having on the interest payments that must be made on the Federal debt. Just like any household, as we continue to spend beyond our means year after year, the interest payments that we make to finance our ever-growing debt is becoming an increasing share of the household budget.

So it is with interest on the Federal debt. The fastest growing portion of Federal spending is not welfare payments, or social security, or defense, but interest on the debt. The U.S. Government will spend over $109 billion this fiscal year to finance the debt—double the amount required just 4 years ago. Over the next 3 years, projections of increase in interest expenditures, based on a conservative assumption of stable interest rates, of $71 billion will wipe out all of the tax and spending reductions that we passed last month after long weeks of negotiation.

Mr. President, I shall have more to say on the deficit at a later date when I intend to offer specific deficit reduction proposals. At this time, I reiterate my opposition to by-passing the Senate rules, undermining the budget process, and concealing from the American public our inability to come to grips with Federal budget policy.

Mr. President, the issue ultimately comes down to whether the people in this country are going to look to us as being capable of showing some resolution on the issue of the deficit. There has been enough discussion here about the deficit issue; I shall not take the time to do it again. I shall be offering an amendment later on in this session on a trigger to bring a budget freeze into operation. We can deal with that when the time comes.

It seems to me that the country is looking to the Senate and the House to exercise some restraint on the deficit and to show some aggressive innovation. If we go ahead without the budget process being recognized and adhered to, there is a message, but, unfortunately, it is the wrong one. So I wish to enlist my services on the side of those who feel that the budget process should be reasonably sacred and we should not violate its procedures by going ahead with this appropriation bill.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

ORDER OF BUSINESS

Mr. BAKER. Mr. President, in a moment, I intend to ask the Senate to turn to a brief period for the transaction of routine morning business, which will leave the motion pending when we return tomorrow. That means, in turn, that we shall not be on the foreign assistance authorization bill. I expect that will be the next action, but in any event, it is the intention of the leadership on this side to stay on this matter.

Mr. President, there will also be a cloture vote tomorrow. I shall consult with the minority leader in a few moments and see if we can establish a mutually convenient time for that vote. Otherwise, the vote will occur, under the provisions of the rule, an hour plus quorum time after we convene.

Mr. President, there will be no more record votes today.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend past the hour of 6 p.m., in which Senators may speak for not more than 5 minutes each, with the exception of the two leaders, against whom no time restriction will apply.

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

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 Committee on the Judiciary.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States announced that he had approved and signed the following bills and joint resolutions:

On June 18, 1984:

S.J. Res. 261. Joint resolution to provide for the designation of the last week in June 1984 as "Helen Keller Deaf-Blind Awareness Week".

S.J. Res. 289. Joint resolution to designate June 18, 1984, as "National Child Passenger Safety Awareness Day".

On June 20, 1984:

S. 2776. An act to continue the transition provisions of the Bankruptcy Act until June 27, 1984, and for other purposes.

On June 30, 1984:

S.J. Res. 297. Joint resolution to designate the month of June 1984 as "Veterans Preference Month".

On July 2, 1984:

S. 1135. An act to consent to the Goose Lake Basin Compact between the States of California and Oregon.

S.J. Res. 257. Joint resolution to designate the period July 1, 1984, through July 1, 1985, as the "Year of the Ocean".

S.J. Res. 298. Joint resolution to proclaim the month of July 1984 as "National Ice Cream Month" and July 15, 1984, as "National Ice Cream Day".

On July 3, 1984:

S. 837. An act to designate certain National Forest System lands in the State of Washington for inclusion in the National Wilderness Preservation System, and for other purposes.

S.J. Res. 59. Joint resolution to authorize and request the President to designate February 27, 1986, as "Hugo LaFayette Black Day".

S.J. Res. 150. Joint resolution to designate August 4, 1984, as "Coast Guard Day".

S.J. Res. 230. Joint resolution to designate the week of October 7, 1984, through October 13, 1984, as "National Birds of Prey Conservation Week".

S.J. Res. 270. Joint resolution designating the week of July 1, through July 8, 1984, as "National Duck Stamp Week" and 1984 as the "Golden Anniversary Year of the Duck Stamp".

S.J. Res. 303. Joint resolution to designate the week of December 9, 1984, through December 15, 1984, as "National Drunk and Drugged Driving Awareness Week".

On July 9, 1984:

S. 2403. An act to declare that the United States holds certain lands in trust for the Pueblo de Cochiti.

S.J. Res. 238. Joint resolution to designate the week beginning November 19, 1984 as "National Adoption Week".

S.J. Res. 278. Joint resolution to commemorate the one hundredth anniversary of the Bureau of Labor Statistics.

S.J Res. 306. Joint resolution to proclaim July 10, 1984, as "Food for Peace Day".

On July 10, 1984:

S. 2375. An act to amend the Small Business Act to improve the operation of the secondary market for loans guaranteed by the Small Business Administration.

S. 2729. An act for the relief of Jean Willheim Willrich.

MESSAGE FROM THE HOUSE

At 5:28 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (S. 2496) to amend the Adult Education Act in order to simplify requirements for States and other recipients participating in Federal adult education programs, and for other purposes, with amendments; it insists upon its amendments, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. PERKINS, Mr. FORD of Michigan, Mr. ANDREWS of North Carolina, Mr. MILLER of California, Mr. CORRADA, Mr. KILDEE, Mr. WILLIAMS of Montana, Mr. HAWKINS, Mr. BIAGGI, Mr. BOUCHER, Mr. ACKERMAN, Mrs. BURTON of California, Mr. HAYES, Mr. ERLENBORN, Mr. GOODLING, Mr. PACKARD, Mrs. ROUKEMA, Mr. GUNDERSON, Mr. BARTLETT, Mr. NIELSON of Utah, Mr. CHANDLER, and Mr. TAUKE as managers of the conference on the part of the House.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 5526. An act to amend title 18 of the United States Code with respect to escape from custody resulting from civil commitment;

H.R. 5799. An act to amend title 5, United States Code, to establish certain requirements for the procurement by contract of certain services that are reserved for performance by preference eligibles in the competitive service;

H.R. 5846. An act to amend title 18, United States Code, to improve collection and administration of criminal fines, and for other purposes;

H.R. 5872. An act to amend title 18 of the United States Code with respect to certain bribery and related offenses;

H.R. 5910. An act to amend chapter 87 of title 18, United States Code, to improve provisions imposing criminal penalties for contraband and riots in Federal prisons;

H.R. 5919. An act to amend title 18 of the United States Code with regard to the admissibility of business records located in foreign nations, and for other purposes;

H.R. 5946. An act to reform the Residential Conservation Service and to repeal the Commercial and Apartment Conservation Service;

H.R. 5951. An act to change the appointment process for judges of District of Columbia courts, and for other purposes;

H.R. 6007. An act to establish certain procedures regarding the judicial service of retired judges of District of Columbia courts, and for other purposes; and

H.R. 6013. An act to amend the Small Business Act and the Small Business Investment Act of 1958.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 577. Joint resolution designating August 1984 as "Polish American Heritage Month."

The enrolled joint resolution was subsequently signed by the President pro tempore (Mr. THURMOND).

MEASURES REFERRED

The following measures were read the first and second times by unanimous consent, and referred as indicated:

H.R. 5799. An act to amend title 5, United States Code, to establish certain requirements for procurement by contract of certain services that are reserved for performance by preference eligibles in the competitive service; to the Committee on Governmental Affairs.

H.R. 5946. An act to reform the Residential Conservation Service and to repeal the Commercial and Apartment Conservation Service; to the Committee on Energy and Natural Resources.

H.R. 5951. An act to change the appointment process for judges of District of Columbia courts, and for other purposes; to the Committee on Governmental Affairs.

H.R. 6007. An act to establish procedures regarding the judicial service of retired judges of District of Columbia courts, and for other purposes; to the Committee on Governmental Affairs.

MEASURE PLACED ON THE CALENDAR

The Committee on Commerce, Science, and Transportation was discharged from the further consideration of the following bill, which was placed on the calendar:

H.R. 5297. An act to amend the Federal Aviation Act of 1958 to terminate certain functions of the Civil Aeronautics Board, to transfer certain functions of the Board to the Secretary of Transportation, and for other purposes.

The following bills were read the first and second times by unanimous consent, and placed on the calendar:

H.R. 5526. An act to amend title 18 of the United States Code with respect to escape from custody resulting from civil commitment;

H.R. 5846. An act to amend title 18, United States Code, to improve collection and administration of criminal fines, and for other purposes;

H.R. 5872. An act to amend title 18 of the United States Code with respect to certain bribery and related offenses;

H.R. 5910. An act to amend chapter 87 of title 18, United States Code, to improve provisions imposing criminal penalties for contraband and riots in Federal prisons; and

H.R. 5919. An act to amend title 18 of the United States Code with regard to the admissibility of business records located in foreign nations, and for other purposes.

MEASURE HELD AT THE DESK

Pursuant to the order of the Senate of July 31, 1984, the following bill was ordered held at the desk:

H.R. 6013. An act to amend the Small Business Act and the Small Business Investment Act of 1958.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPECTER, from the Committee on Appropriations, with amendments:

H.R. 5899. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1985, and for other purposes (Rept. No. 98-568).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. GOLDWATER, from the Committee on Armed Services:

Robert S. Cooper, of Virginia, to be an Assistant Secretary of Defense.

James Paul Wade, Jr., of Virginia, to be an Assistant Secretary of Defense.

Everett Pyatt, of Virginia, to be an Assistant Secretary of the Navy.

Charles G. Untermeyer, of Texas, to be an Assistant Secretary of the Navy.

Donald C. Latham, of Virginia, to be an Assistant Secretary of Defense.

Robert W. Helm, of Virginia, to be an Assistant Secretary of Defense.

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. TRIBLE (for himself and Mr. HUMPHREY):

S. 2898. A bill to amend section 5155 of the Revised Statutes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GLENN:

S. 2899. A bill to provide employment opportunities to unemployed young men and women in projects accomplishing the conservation, rehabilitation, and improvement of Federal, non-Federal, and Indian lands and provide such young people with educational assistance in return for their services; to the Committee on Energy and Natural Resources.

By Mr. WILSON:

S. 2900. A bill to amend the "Tariff Schedules of the United States" to clarify the classification of unfinished gasoline; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TRIBLE:

S. 2898. A bill to amend section 5155 of the Revised Statutes; to the Committee on Banking, Housing, and Urban Affairs.

BANKING CONVENIENCE ACT

Mr. TRIBLE. Mr. President, one of the most welcome developments of the electronic age for consumers of financial services has been the advent of networks of shared automated teller machines [ATM's].

Today, Senator HUMPHREY and I are introducing "the Banking Convenience Act of 1984" to protect and foster these shared ATM networks.

Before explaining the need for this bill, and its nature, a brief introduction to shared ATM networks may be helpful.

1. SHARED ATM NETWORKS

In a network of shared automated teller machines, customers of banks, thrifts, credit unions, credit card companies and others may have remote access to their checking, savings, or credit card accounts by using ATM's established by third parties.

Using these networks of shared ATM's, these customers may conduct a wide variety of banking transactions while traveling away from home on business or for pleasure. By inserting a plastic card into an ATM, the customer tens, hundreds or even thousands of miles from home may withdraw cash from, or make deposits to, his checking or savings account; receive cash from a credit card loan; pay bills to third parties; deposit money into one of his accounts; inquire as to the balances in his accounts; or transfer funds among accounts, swiftly, electronically, and at low cost.

On a massive and ever increasing scale, consumers are demanding and receiving the benefits of automated teller machines tied into shared ATM networks.

Ten years ago, there existed only a handful of underutilized ATM's. Today, in response to overwhelming consumer demands, over 200 shared regional ATM networks serve customers in every State and region of the United States, allowing customers to use 16,000 ATM's to conduct 60 million transactions every month. And by using the 10,000 ATM's linked by computer into 7 national shared networks, American consumers can obtain cash almost anywhere in the United States.

Similar sharing arrangements are now assisting the growth of retail point-of-sale systems, through which a customer can pay his bills using electronic devices located in department or grocery stores, obtaining the con-

venience and discounts of cash payment without the risks or inconvenience of actually carrying cash.

Increasingly, consumers will be using shared systems to do more and more banking and bill paying at home as the home banking revolution proceeds.

In short, customers of banks, thrifts, credit card companies, and retailers have a huge stake in protecting shared ATM networks and fostering their future growth.

These same concerns are shared by the more than 9,000 banks, savings institutions, credit unions, and others which participate in shared ATM networks to serve their existing customers and to attract new ones. Many of these institutions and other entrepreneurs have invested very heavily in the development of shared networks, and are vitally affected by developments which could harm the networks or undermine their economic viability.

With that background, why is legislation needed?

2. NEED FOR LEGISLATION

Recently, a U.S. district court issued a ruling which could inconvenience millions of consumers by severely disrupting existing networks of shared ATM's, raise the cost of financial services provided through these networks, imperil the hundreds of millions of dollars already invested in shared ATM's, and place national banks at a severe competitive disadvantage.

The district court held that if a national bank's customers use an ATM owned by a third party, then that ATM is a branch of the national bank for purposes of the Federal McFadden Act. Under that law, national banks headquartered in a certain State may only establish branches where that State's law allows banks chartered by the same State to have branches. Previously, shared ATM's have not been considered branches of national banks, and their location has not generally been regulated by State bank branching laws.

Because many States restrict branching by State banks, and because many ATM's have been placed without regard to branching restrictions, the court's decision implies that many national banks are now engaged in illegal branch banking when they participate in shared ATM networks.

Since shared ATM's have not been considered branches before, national banks have not filed branch applications—or paid the application fees—with the comptroller of the currency for the ATM's their customers use. They have not received the comptroller's permission to operate such branches. And even if they filed the applications and paid the fees, the comptroller would be unable to approve the applications because the ATM's would often be illegally located if considered bank branches.

If the court is correct, and a shared ATM is a branch, then national banks could not allow their customers to use out-of-State ATM's, because Federal law does not allow out-of-State branches. In the 29 States which do not permit even statewide branching, national bank customers could not use many ATM's even within their home States. And ATM's located in home office protection areas—areas where another bank is already headquartered—would be similarly off-bounds.

In effect, national banks would be unable to participate in existing national or regional shared ATM networks. Obviously, the customers of these banks would lose, if the court's ruling stands. And national banks would be placed at a severe competitive disadvantage, because other banks and financial institutions could continue to offer customer services through the existing networks.

The damage would not be confined to national banks and their customers, however. Since other provisions of Federal law apply to State banks which are Federal Reserve System members the same branching restrictions as apply to national banks, those State member banks and their customers could also be harmed by the court's ruling.

Because of the economics of shared ATM systems, the ruling would also harm all users of shared ATM's and those who have worked so hard and invested so heavily in the development of these systems.

Generally, these systems display economies of scale, which means that the larger the number of transactions on the system, the smaller the cost of each transaction. If fewer customers used shared ATM networks, there would be fewer transactions on each system, and higher costs for each remaining transaction. These costs would be reflected in higher transaction fees paid by participating financial institutions, and they would ultimately be passed on to the customers of participating banks, thrifts, credit unions and credit card companies which participate in the networks.

It is also possible, of course, that the reduction in business on these networks would jeopardize their economic feasibility, and whole networks might disappear, taking with them substantial investments.

3. THE BANKING CONVENIENCE ACT OF 1984

Mr. President, it is inconceivable to me that Congress would permit these disastrous ripple effects to occur. This legislation, the Banking Convenience Act of 1984 would head off these disasters.

The bill declares that a shared ATM used by a national bank's customers—but not owned or rented by that bank—is not a branch of that bank under Federal law, and that the location of such shared ATM's is not restricted by State branching laws through the McFadden Act. The bill also clearly authorizes national banks to permit their customers to use shared ATM's.

This is conservation bill, Mr. President, because it aims to preserve the status quo. It would merely codify the rulings and interpretations of the Comptroller which led to national bank participation in existing shared ATM networks. Its primary purpose is to preserve these networks for the benefit of American consumers, and, by clarifying the current situation, to foster the future growth of these networks.

4. CONCLUSION

Mr. President, Congress needs to ride the wave of electronic banking; to get on the side of financial innovation; to preserve and foster shared ATM networks; and to help our consumers and financial institutions enter the 21st century.

This bill will do that, Mr. President, and I urge my colleagues' support. American consumers will thank us.

Mr. President, I ask unanimous consent that a copy of my bill, a fuller explanation of it, and a recent article by Rudolf Pyatt of the Washington Post on the threat to shared ATM system be printed in the RECORD.

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

S. 2898

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 "Banking Convenience Act of 1984".

SEC. 2. Section 5155 of the Revised Statutes (12 U.S.C. 36) is amended by adding at the end thereof the following:

"(i)(1) Notwithstanding any other provision of this section or of a similar State law, a national bank may share, or permit its customers to use, an automated device that is not established by that bank, and such automated device shall not be considered a branch of that bank within the meaning of subsection (f) of this section.

"(2) For the purpose of this subsection—

"(A) an automated device is established by a national bank only if it is owned or rented by that bank;

"(B) an automated device is not established by a national bank if the bank is assessed transactional fees or similar charges for its use; and

"(C) the term 'automated device' includes, without limitation, automated teller machines, customer bank communication terminals, point-of-sale terminals, and cash dispensing machines.".

EXPLANATION OF THE BANKING CONVENIENCE ACT

The federal McFadden Act (12 U.S.C. 36) defines the term "branch" as a place of business where "deposits are received, or checks paid, or money lent". A national bank may establish such a branch, under McFadden, "at any point within the state in which said association is located, if such establishment and operation are at the same

time authorized to state banks by the statute law of the state in question . . . and subject to the restriction as to location imposed by the law of the state on state banks."

An important U.S. Appeals Court case (*Independent Banker's Association of America* v. *Smith*, 1976), in interpreting the McFadden Act, held that an electronic banking facility receiving or disbursing funds is a branch of a national bank if it is *"established (ie. owned or rented)"* by the national bank. (emphasis added)

The *Smith* decision implied that an ATM which is neither "owned (n) or rented" by a national bank, but merely used by the bank's customers on a fee basis, would not be considered a national bank branch, nor would its location be subject to state branching law under the McFadden Act.

Following this reasoning, the Comptroller of the Currency—the primary regulator of national banks—then published a regulation (12 CFR 5.31(b)) which provides that an ATM can only be considered a branch of a national bank if the bank "establishes" the ATM by owning or renting it. Under this regulation, if the bank's customers merely use an ATM which is neither owned nor rented by the bank, then the national bank has not "established" a branch. In an interpretive letter, the Comptroller's office has indicated that a national bank's participation in a shared ATM network on a transaction fee basis may not constitute "branch banking" under the Comptroller's regulation. (1981-82 Transfer Binder (CCH) Banking L. Rep. ¶85, 234).

As a result of the Comptroller's actions, national banks using shared ATMs have not been required to file branching applications, pay fees, or receive the Comptroller's permission to use an ATM established by another.

Based upon these interpretations—and because many states have laws which permit wider establishment of electronic banking facilities than of traditional bank branches—national banks are participating in 7 national and 200 regional shared ATM networks.

On April 26, 1984, in the case of *Independent Bankers' Association of New York* vs. *Marine Midland Bank*, the U.S. District Court for the Western District of New York rejected the Comptroller's interpretations and regulations as well as the *Smith* decision.

The *Marine Midland* Court held that an ATM owned by a supermarket, but used by the customers of Marine Midland Bank (a national bank) as part of a shared ATM network was in fact a "branch" of that national bank for purposes of the McFadden Act and, thus, subject to state branching restrictions.

In other words, mere use by a national bank's customers turns a shared ATM into a branch.

If the District Court's decision stands, national banks and state member banks participating in shared ATM networks would be engaged in illegal branch banking. Customers of those banks could only use ATMs located in places where those banks could establish "brick and mortar" branches. Use of ATMs across state lines by customers of these banks could be prohibited. Even in their home states, consumers could lose access to many in-state ATMs (if they are unlucky enough to live in a state which does not permit statewide branching).

"The Banking Convenience Act of 1984" overturns the *Marine Midland* decision and ratifies the Comptroller's interpretation of the earlier *Smith* decision, with the intent of preserving the status quo in shared ATM networks.

Following the Comptroller's lead, the bill distinguishes between two kinds of "automated devices"—those which are "established by a national bank and those which are "not established" by a national bank. If a device is "owned or rented" by the bank, it is "established" by the bank (and continues to be considered a branch under the McFadden Act). But if a device is not owned or rented by the bank, but the bank pays fees or other charges for its use—if it is a shared ATM—then the device is "not established" by the bank "and shall not be considered a branch of that bank within the meaning of" the McFadden Act.

In addition, the bill explicitly authorizes a national bank to "share, or permit its customers to use, an automated device which is not established by that bank."

Finally, the term "automated device" is broadly defined to include ATMs and similar electronic devices such as cash dispensing machines and retail point-of-sale terminals.

The effect of these provisions is to allow national banks to continue to provide customer access to shared ATMs located without regard to state or federal branching law.

RULING MAY DAMPEN ATM'S FUTURE

(By Rudolph A. Pyatt, Jr.)

The completion of a merger agreement last week by the two largest automatic teller machine (ATM) networks in the Washington region is undoubtedly one of the most significant developments in the brief history of electronic banking.

With the merger of the MOST and Network Exchange systems into a new company called Internet, cardholders of member financial institutions will soon be able to use ATMs and point-of-sale (POS) terminals in either banking system throughout Washington, Maryland and Virginia. Internet thus becomes one of the nation's biggest regional electronic banking systems.

The merger obviously increases the ability of participating financial institutions to expand their services into remote markets in the region. More important, perhaps, is the logical extension of this development—the establishment of a universal electronic payment system in the mid-Atlantic region.

The significant benefit in the long run is that Internet now is in a position to discuss possible uses of the system with retailers and other companies, according to David A. O'Connor, its president and chief executive. The merger, he added, means nonfinancial services firms, particularly major retailers that have long advocated a universal system, will be in a better position to make financial and other commitments to that concept.

Widespread optimism about Internet's future may be a bit premature, however.

A more significant development unfolding in the courts poses a possible threat not only to Internet, but to every shared ATM network in which national banks participate.

At issue is whether an ATM that is part of a shared electronic banking system is a branch, even if it is not owned or rented by a national bank. The case, which is before the 2nd U.S. Circuit Court of Appeals in New York, stems from a ruling in April by a federal judge in New York that an ATM owned by a supermaket and used by customers of Marine Midland Bank is a branch of that bank.

Wegman's Food Markets Inc. operates a chain of supermarkets in western New York state. Wegman's also owns several ATMs, which it installed in its supermakets to attract customers and to compete with other chains that provide similar services. Wegman's has made the ATMs available to bank cardholders of a shared ATM network, of which Marine Midland is a member. Marine Midland neither owns nor rents an ATM in Wegman's and pays a fee each time one of its customers uses a machine owned by the food chain.

A small upstate New York bank and the Independent Bankers Association of New York State challenged the arrangement, however, claiming that Wegman's was conducting unauthorized banking business and that an ATM in one of the chain's stores is an unlawful Marine Midland branch. In a suit filed in U.S. District Court, the plaintiffs further alleged that Marine Midland's use of the ATM in a Wegman's supermarket gave the bank an unfair advantage over competitors who did not use the machine.

Basing its defense on regulations already established by the Comptroller of the Currency, Marine Midland maintained that argument and ruled for the plaintiffs, even though the comptroller's regulation covering the issue is supported by an earlier decision in the U.S. Court of Appeals for the District of Columbia.

The comptroller's regulations—exempting from the definition of a "branch" an ATM not owned or rented by a bank—have remained unchallenged since 1976. If the court's new interpretation is upheld on appeal, the precedent could lead to chaos in the development of regional and nationwide electronic banking systems.

Isolated though the case may be, it has broad implications for national banks and other institutions that have invested well over a billion dollars in the development of ATM networks. "To destroy the legal ground of a large part of this vast and expensive development . . . would clearly be unjust," the comptroller of the currency and the Federal Reserve Board said in a friends-of-the-court brief filed in the appeals court.

The Consumer Bankers Association, which filed a similar brief in support of Marine Midland's appeal, declared that the lower court decision "seriously threatens the present and future of shared ATM networks by national banks and the public."

A failure by Marine Midland to win on appeal could be interpreted as a signal for further challenges. And if the situation ultimately reaches a point in which electronic banking transactions across state lines are "outside the bounds of banking regulations," said Internet's O'Connor, "we would have to shut off the system until changes are made. The impact would probably make impractical the kind of system we have."

Ditto the six national and 199 other regional networks.

The U.S. District Court's ruling in the case reflects a total disregard for the legal, regulatory and economic considerations that support the development of shared ATM systems. The evidence in the case suggests that it has a high nuisance quotient and should have been rejected by the court.

Mr. HUMPHREY. I am pleased to join Senator TRIBLE in the introduction of the Banking Convenience Act of 1984. This legislation will ensure bank customer's continued access to

shared automated teller machine [ATM] networks in the years ahead.

Currently, millions of consumers enjoy the convenience of conducting bank transactions from virtually anywhere in the United States through an ATM network. However, users of these networks are at risk of losing this service as a result of a recent district court decision.

On April 6, 1984, the U.S. District Court for the Western District of New York held in the case of Independent Bankers Association of N.Y. against Marine Midland Bank that an ATM owned by a supermarket chain, but used by customers of Marine Midland Bank, a national bank, as part of a shared ATM network was a "branch" of Marine Midland for purposes of the McFadden Act. This shared network, therefore, was subject to State branching restrictions. If upheld, the district court's decision could severely limit the availability of these networks to consumers in other parts of the country.

Mr. President, the Banking Convenience Act would correct this situation by merely codifying existing comptroller rulings and interpretations which have long permitted national bank participation in shared ATM networks. This will allow consumers to continue to benefit from the convenient services offered by these shared ATM networks. I urge colleagues to support this important legislation.

By Mr. GLENN:

S. 2899. A bill to provide employment opportunities to unemployed young men and women in projects accomplishing the conservation, rehabilitation, and improvement of Federal, non-Federal, and Indian lands and provide such young people with educational assistance in return for their services; to the Committee on Energy and Natural Resources.

AMERICAN CONSERVATION CORPS ACT

Mr. GLENN. Mr. President, on June 13, the Senate passed the first component of my Volunteers for America Program when it agreed to establish the citizen-soldier GI bill. The second component of Volunteers for America was introduced last February as the Student Aid Volunteers Earnings Act, or SAVE Program. SAVE creates a corps of motivated young people to provide needed community services in exchange for work experience and a substantial grant for higher education or vocational training after leaving the program.

Mr. President, I am pleased today to introduce the third and final component of the Volunteers for America Program—the American Conservation Corps Act of 1984. This program proceeds from the proposal of Senator MOYNIHAN and others for the American Conservation Corps Act of 1983, which I was proud to cosponsor. The original program was intended to provide our country with needed workers to preserve our land, water, and other natural resources, while providing young people with meaningful work experience.

I applaud these goals, but feel that it is no longer enough to simply give young people a short-term job—we must give them the opportunity to fully prepare themselves for today's highly competitive labor market. For this reason, my program creates a trust fund to which participants contribute 25 percent of their salary and to which the Government adds an amount double that contributed by the participants. This money will be available for use by corps members after they leave the program to pay for higher education or vocational training.

There are really two questions at issue in deciding whether to enact this legislation. First, does the country need the services of our young people for land and water conservation and rehabilitation? And second, do our young people need the opportunities for work experience and higher education which this program promises? I believe the answer to both of these questions is a resounding "yes."

One of America's most rapidly deteriorating resources is the quality of our State and national parks. Increased use, combined with declining funds for maintenance and repair, are putting a strain on park resources. The General Accounting Office estimates needs of at least $1.6 billion to correct health and safety hazards by improving or replacing park system facilities such as water supplies, roads, and hotels. With fewer funds available, some parks have been forced to cut back on visitor services, resource protection, and park maintenance. In the Rocky Mountains, for example, it was reported that visitor centers and campgrounds opened later in the summer and closed earlier in the fall; some interpretive programs were canceled; resource protection projects were delayed; and garbage was collected less frequently. Some parks even had to eliminate scheduled ranger patrols and respond only to emergency calls. Clearly, our young people could be called upon to alleviate some of the serious deficiencies in the maintenance and rehabilitation of these important national resources.

But the national parks are not the only resources that require intensive rehabilitation efforts. Government-owned forests are being seriously neglected with respect to intermediate timber stand management such as thinning. These practices, if uncorrected, will lead to lower rates of productivity and increase the pressure to harvest lands which now serve as wilderness, recreation, and undisturbed wildlife areas.

It is obvious that our country needs the hard work that young conservation corps participants can provide. But do American young people really need these opportunities? We need only look at the most recent statistics on unemployment and education among our youth.

In June, there were still over 8.1 million Americans out of work, and nearly 40 percent of them were under age 25. The unemployment rate for 16- to 19-year-olds stood at 17.6 percent. Among black teenagers, unemployment was over 34 percent.

At the same time that young people face the prospect of likely unemployment, fewer and fewer are able to continue their education. Their hope for the future grows dimmer. In 1982, only 36.4 percent of the black graduating high school seniors entered college, a significant decline from 43 percent in 1980 and 1981. Overall, the rate of enrollment of high school graduates in higher education has declined 6 percent from 1981 to 1982.

As a nation, we cannot afford the potential loss of what amounts to an entire generation of young Americans. Young people need access to jobs and the resources to continue their education. It is no less than vital to the continued economic survival of our country.

The American Conservation Corps Act of 1984 will include residential and nonresidential conservation centers. The activities of participants will include conservation of forests, wilderness areas, and rangeland; reclamation of strip-mined land, waterfronts, and other land damaged by fire or natural disasters; and the protection of wildlife, birds, and fish.

Enrollees must be unemployed and between the ages of 16 and 24. They must participate for at least 6 months, but no more than 24 months. Twenty-five percent of the funds may be used for summer programs for young people between the ages of 15 and 21.

Participants will be paid the equivalent of the minimum wage, but 25 percent of this salary will be contributed to an education trust fund. Federal funds will be used to double-match each participant's contribution. Corps members who complete at least 6 months of service may draw upon their education trust fund to pay for postsecondary education or vocational training after they leave the program.

I believe that we can reasonably fund this program at $50 million in the first year, and eventually level off at $110 million per year. I believe that this will prove to be a prudent investment in both our environment and our young people.

Taken as a whole, the Volunteers for America Program—composed of the citizen-soldier GI bill, the SAVE Program, and the American Conservation

Corps Act of 1984—offers a coherent plan to address both the needs of the Nation and the needs of our young people. It would give them a chance to earn a good education. It would build upon American's proud traditions of patriotism and voluntarism—and it would provide a positive way to rekindle youthful idealism. But perhaps most important of all, it would reestablish a crucial link between public service and private reward. And if we can demonstrate to this generation of Americans that idealism need not be impractical, then perhaps a more ideal society need not be implausible.

I urge my colleagues to give this bill their full consideration and complete support.

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. 2899

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 "American Conservation Corps Act of 1984".

CONGRESSIONAL FINDINGS AND PURPOSE

SEC. 2. (a) FINDINGS.—The Congress finds that—

(1) public lands, resources, and facilities, including parks, rangelands, wildlife refuges, forests, water resources, fishery facilities, historic and cultural sites, and urban and community resources, have become subject to increasing public use and resource production demands;

(2) the condition of many of these lands, resources, and facilities has deteriorated as a result of these increasing uses and demands and as a result of the inability of Government agencies to adequately staff and fund the maintenance necessary to arrest the deterioration;

(3) public land management agencies have a responsibility to assure that public lands and resources are managed—

(A) to assure continued productivity,

(B) to protect public health and safety, and

(C) to assure their wise and economic conservation, maintenance, and use;

(4) a program designed to systematically guide and enhance the conservation, rehabilitation, and improvement of our public lands, resources, and facilities is urgently needed; and

(5) youth conservation programs have proven highly successful and cost effective in providing training and jobs for unemployed youth and in assisting land management agencies at all levels of government to reduce the backlog of neglected public land conservation, rehabilitation and improvement projects and to carry out other public land resource management work.

(b) PURPOSE.—It is the purpose of this Act to—

(1) reduce the backlog of conservation, rehabilitation, and improvement work on the public lands, prevent the further deterioration of public lands and resources and facilities, conserve energy and restore and maintian community lands, resources, and facilities;

(2) establish an American Conservation Corps to carry out a program to improve, restore, maintain, and conserve public lands and resources in the most cost-effective manner;

(3) use such program to assist State and local governments in carrying out needed public land and resource conservation, rehabilitation, and improvement projects;

(4) provide for implementation of the program in such manner as will foster conservation and the wise use of natural and cultural resources through the establishment or working relationships among the Federal, State, and local governments, Indian tribes, and other public and private organizations; and

(5) use this program to increase (by training and other means) employment opportunities for young men and women especially those who are economically, socially, physically, or educationally disadvantaged and who may not otherwise be productively employed and to provide such young people with educational assistance in return for their services.

DEFINITIONS

SEC. 3. For purposes of this Act:

(1) The term "Secretary" means the Secretary of the Interior, except where otherwise expressly provided.

(2) The term "public lands" and "publicly owned lands" means any lands and waters (or interest therein) owned or administered by the United States or by any agency or instrumentality of a State or local government.

(3) The term "program" means the public lands conservation, rehabilitation, and improvement program established under this Act.

(4) The term "program agency" means any Federal agency or instrumentality with responsibility for the management of any public or Indian lands, any State agency designated by the Governor to manage the program in that State, and the governing body of any Indian tribe.

(5) The term "Indian tribe" means any Indian tribe, band, nation, or other group which is recognized as an Indian tribe by the Secretary. Such term also includes any Native village corporation, regional corporation, and Native group established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1701 et seq.).

(6) The term "Indian" means a person who is a member of an Indian tribe.

(7) The term "Indian lands" means any real property owned by an Indian tribe, any real property held in trust by the United States for individual Indians or Indian tribes, and any real property held by individual Indians or Indian tribes which is subject to restrictions on alienation imposed by the United States.

(8) The term "employment security service" means the agency in each of the several States with responsibility for the administration of unemployment and employment programs, and the oversight of local labor conditions.

(9) The term "chief administrator" means the head of any program agency as that term is defined in paragraph (4).

(10) The term "enrollee" means any individual enrolled in the American Conservation Corps in accordance with section 5.

(11) The term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territories of the Pacific Islands.

(12) The term "trust fund" means a trust fund established pursant to section 10.

PUBLIC LANDS CONSERVATION, REHABILITATION, AND IMPROVEMENT PROGRAM

SEC. 4. (a) ESTABLISHMENT AND ADMINISTRATION OF PROGRAM.—Not later than ninety days after the enactment of this Act, the Secretary, in cooperation with the Secretary of Agriculture and after consultation with the Secretary of Labor, shall establish and administer a public lands conservation, rehabilitation, and improvement program to carry out the purposes of this Act. Under such program, the Secretary shall provide assistance to program agencies for the establishment and operation of residential and nonresidential American Conservation Corps centers and for the implementation by the American Conservation Corps of projects designed to carry out such purposes.

(b) PROJECTS INCLUDED.—The program established under this section may include, but shall not be limited to, projects such as—

(1) forestry, nursery, and silvicultural operations;

(2) wildlife habitat conservation, rehabilitation, and improvement;

(3) rangeland conservation, rehabilitation, and improvement;

(4) recreational area development, maintenance, and improvement;

(5) urban revitalization;

(6) historical and cultural site preservation and maintenance;

(7) fish culture and habitat maintenance and improvement and other fishery assistance;

(8) road and trail maintenance and improvement;

(9) erosion, flood, drought, and storm damage assistance and control;

(10) stream, lake, and waterfront harbor and port improvement, and pollution control;

(11) insect, disease, rodent, and fire prevention, and control;

(12) improvement of abandoned railroad bed and right-of-way;

(13) energy conservation projects and renewable resource enhancement;

(14) recovery of biomass from public lands, particularly forestlands; and

(15) reclamation and improvement of strip-mined lands.

(c) PREFERENCE FOR CERTAIN PROJECTS.—The program shall provide a preference for those projects which—

(1) will provide long-term benefits to the public;

(2) will provide meaningful work experience to the enrollee involved;

(3) will be labor intensive; and

(4) can be planned and initiated promptly.

(d) LIMITATION TO PUBLIC LANDS.—Projects to be carried out under the program shall be limited to projects on public lands or Indian lands except where a project involving other lands will provide a documented public benefit and reimbursement will be provided to the program agency for that portion of the total costs of the program which does not provide a public benefit. Notwithstanding any other provision of law, any reimbursement referred to in the preceding sentence shall be retained by the program agency and shall be used by the agency for purposes of carrying out other projects under the program.

(e) CONSISTENCY.—The Secretary and the chief administrators of other program agencies shall assure that projects selected under this Act for conservation, rehabilitation, or improvement of any public lands are consistent with the provisions of law relating to the management and administration of such lands and with all other applicable provisions of law.

(f) CONSERVATION CENTERS.—(1) Each program agency may apply to the Secretary for approval of conservation centers to carry out projects under this Act.

(2) Applications for approval of conservation centers shall be submitted to the Secretary in such manner as the Secretary may prescribe. Each application shall contain, in such detail as the Secretary deems necessary—

(A) a comprehensive description of the objectives and performance goals for the conservation center and a description of the types of projects to be carried out, including a description of the types and duration of training (including work experience) to be provided;

(B) a description of the facilities and equipment to be available for use in the center;

(C) an estimate of the number of enrollees and crew leaders necessary for the proposed projects, the length of time for which the services of such personnel will be required, and the services which will be required for their support;

(D) a plan for managing the conservation center, supplying the necessary equipment and material, and administering the payroll; and

(E) such other information as the Secretary shall prescribe.

(3) In approving conservation centers, the Secretary shall give due consideration to the cost and means of transportation available between the center and the homes of the enrollees who may be assigned to those centers. The location and type of conservation centers shall be selected in such manner as will increase the enrollment of economically, socially, physically, and educationally disadvantaged youths, and of youths from areas of high unemployment.

(g) LOCAL GOVERNMENT PARTICIPATION.—Any State carrying out a program under this Act shall provide a mechanism under which local governments in the State may be approved by the State to participate in the program and to carry out projects in accordance with the requirements of this Act.

(h) AGREEMENTS.—Program agencies may enter into contracts and other appropriate arrangements with local government agencies and nonprofit organizations for the management of conservation centers under the program.

(i) JOINT PROJECTS.—The Secretary is authorized to develop jointly with the Secretary of Labor regulations designed to allow, where appropriate, joint projects in which activities supported by funds authorized under this Act are coordinated with activities supported by funds authorized under employment and training statutes administered by the Department of Labor (including the Job Training Partnership Act). Such regulations shall provide standards for approval of joint projects which meet both the purposes of this Act and the purposes of such employment and training statutes under which funds are available to support the activities proposed for approval. Such regulations shall also establish a single mechanism for approval of joint projects developed at the State or local level.

ENROLLMENT, FUNDING, AND MANAGEMENT

SEC. 5. (a) ENROLLMENT IN PROGRAM.—(1) Enrollment in the American Conservation Corps shall be limited to individuals who, at the time of enrollment, are—

(A) unemployed;

(B) not less than sixteen or more than twenty-five years of age (except that programs limited to the months of June, July, and August may include individuals not less than fifteen years and not more than twenty-one years of age at the time of their enrollment); and

(C) citizens or lawful permanent residents of the United States or lawfully admitted alien parolees or refugees.

(2) Except in the case of a program limited to the months of June, July, and August, individuals who at the time of applying for enrollment have attained age sixteen but not attained age nineteen, and who are no longer enrolled in any secondary school shall not be enrolled unless they give adequate written assurances, under criteria to be established by the Secretary, that they did not leave school for the express purpose of enrolling.

(3) The selection of enrollees to serve in the American Conservation Corps in any conservation center shall be the responsibility of the chief administrator of the program agency. Enrollees shall be selected from those qualified persons who have—

(A) applied to, or been recruited by, the program agency, a State employment security service, an administrative entity under the Job Training Partnership Act, community or community-based nonprofit organization, the sponsor of an Indian program, or the sponsor of a migrant or seasonal farmworker program; and

(B) been screened for eligibility and referred to the program agency by the State employment security service.

(4) In the recruitment and selection of enrollees, special consideration shall be given to both—

(A) economically, socially, physically, and educationally disadvantaged youths, and

(B) youths residing in areas, both rural and urban, which have substantial unemployment.

(5) No individual may remain enrolled in the American Conservation Corps after that individual has attained the age of twenty-six.

(b) SERVICES, FACILITIES, SUPPLIES, ET CETERA.—The program agency shall provide such quarters, board, medical care, transportation, and other services, facilities, supplies, and equipment as the Secretary deems necessary for conservation centers. Whenever possible, the Secretary shall make arrangements with the Secretary of Defense to have such logistical support provided by a military installation near the proposed center, including the provision of temporary tent centers where needed. The Secretary shall establish basic standards of health, nutrition, sanitation, and safety for all conservation centers, and shall assure that such standards are enforced.

(c) CONSERVATION CENTER MANAGEMENT.—Every conservation center shall have sufficient supervisory staff appointed by the chief administrator which may include enrollees who have displayed exceptional leadership qualities.

(d) FUNDING.—(1) The Secretary may award grants to, or enter into agreements with, program agencies for the funding and operation of conservation centers approved by the Secretary under this Act.

(2) The Secretary shall not make any grant to, or enter into any agreement with any program agency for the funding of any conservation center under this Act unless such agency certifies that projects carried out by the conservation center will not—

(A) result in the displacement of any individual currently employed (either directly or under contract with any private contractor) by the program agency concerned (including partial displacement through reduction of nonovertime hours, wages, or employment benefits);

(B) result in the employment of any individual when any other person is in a layoff status from the same or substantially equivalent job within the jurisdiction of the program agency concerned; or

(C) impair existing contracts for services.

(3) Of the sums appropriated to carry out this Act for any fiscal year—

(A) not less than 35 per centum shall be made available by the Secretary for expenditure by State program agencies of which not more than 25 per centum may be used within a State for programs limited to the months of June, July, and August;

(B) not less than 25 per centum shall be made available by the Secretary for expenditure pursuant to agreements within the Secretary of Agriculture of which not more than 25 per centum may be used for programs limited to the months of June, July, and August;

(C) not less than 25 per centum shall be made available by the Secretary for expenditure by program agencies within the Department of the Interior of which not more than 25 per centum may be used for programs limited to the months of June, July, and August;

(D) not less than 5 per centum shall be made available by the Secretary for expenditure by the governing bodies of participating Indian tribes; and

(E) the remaining amount shall be made available by the Secretary for expenditure by other Federal program agencies and for demonstration projects or projects of special merit carried out by any program agency or by any nonprofit organization or local government which is undertaking or proposing to undertake projects consistent with the purposes of this Act.

10 per centum of the amount disbursed to State agencies under subparagraph (A) (or to local governments within the State where paragraph (4) applies) shall be divided equally among the States and 90 per centum of such amount shall be distributed among such States proportionately according to the total youth population of such States between the ages of fifteen and twenty-five (as determined on the basis of the most recent census). Any State receiving funds under subparagraph (A) for the operation of any conservation center shall be required to provide not less than 15 per centum of the cost of operation of such center. Any State receiving funds under subparagraph (A) for any fiscal year shall provide not less than 10 per centum of such funds to local governments approved by the State under section 4(g) to carry out projects under this Act unless no such local government in that State is approved before the end of such fiscal year. In any case where no such local government is approved before the end of such fiscal year, such 10 per centum may be expended by the State in accordance with this Act.

(4) If, at the commencement of any fiscal year, any State does not have a program

agency designated by the Governor to manage the program in that State, then during such fiscal year each local government within such State may establish a program agency to carry out the program within the political subdivision which is under the jurisdiction of such local government. In any such case, the State share (or a reasonable portion thereof) for such State may be made available by the Secretary for expenditure by such local government program agencies to carry out the program within such political subdivisions. Such local government program agencies shall be in all respects subject to the same requirements as State program agencies. Where more than one local government within a State has established a program agency under this subsection, the Secretary shall allocate funds between such agencies in such manner as he deems equitable.

(5) Payments under grants under this section may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary.

(6)(A) There is authorized to be appropriated to the Secretary for purposes of carrying out this Act $50,000,000 for the fiscal year 1985, and the amount determined under subparagraph (B) for each of the fiscal years 1986 through 1988 from so much of the following amounts as would otherwise be credited to miscellaneous receipts in the Treasury—

(i) all franchise fees estimated to be collected for the fiscal year concerned by the Secretary and Secretary of Agriculture; and

(ii) all receipts estimated to be due and payable to the United States for the fiscal year concerned from (I) permit fees (including fees for special use permits) imposed by the Secretary or the Secretary of Agriculture, (II) sales of timber by the Secretary or the Secretary of Agriculture, and (III) leasing activities of the Secretary and the Secretary of Agriculture other than leasing activities under the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.) or under the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351 et seq.).

Such sums shall remain available until expended. Appropriations under this section shall be made without fiscal year limitation.

(B) The amount authorized to be appropriated under subparagraph (A) for 1986 shall be $80,000,000 and for each of the fiscal years 1987 and 1988 shall be $110,000,000.

(7) No authority under this Act to enter into contracts or to make payments shall be effective except to the extent and in such amounts as provided in advance in appropriations Acts. Any provision of this Act which, directly or indirectly, authorizes the enactment of new budget authority shall be effective only for fiscal years beginning after September 30, 1982.

(8) Funds provided under this Act shall only be used for activities which are in addition to those which would otherwise be carried out in the area in the absence of such funds.

FEDERAL EMPLOYEE STATUS

SEC. 6. (a) IN GENERAL.—Except as otherwise specifically provided in the following paragraphs, enrollees and crew leaders shall not be deemed Federal employees and shall not be subject to the provisions of law relating to Federal employment:

(1) For purposes of the Internal Revenue Code of 1954 and title II of the Social Security Act, enrollees and crew leaders shall be deemed employees of the United States and any service performed by any person as an enrollee shall be deemed to be performed in the employ of the United States.

(2) For purposes of subchapter I of chapter 81 of title 5, United States Code, relating to the compensation of Federal employees for work injuries, enrollees and crew leaders shall be deemed civil employees of the United States within the meaning of the term "employee"; as defined in section 8101 of title 5, United States Code, and the provisions of that subchapter shall apply, except—

(A) the term "performance of duty" shall not include any act of an enrollee member or crew leader while absent from his or her assigned post of duty, except while participating in an activity authorized by or under the direction and supervision of the Secretary or the conservation center supervisory staff (including an activity while on pass or during travel to or from such post of duty); and

(B) compensation for disability shall not begin to accrue until the day following the date on which the injured enrollee's or crew leader's employment is terminated.

(3) For purposes of chapter 171 of title 28, United States Code, relating to tort claims procedure, enrollees and crew leaders shall be deemed employees of the United States within the meaning of the term "employee of the Government" as defined in section 2671 of title 28, United States Code.

(4) For purposes of section 5911 of title 5, United States Code, relating to allowances for quarters, enrollees and crew leaders shall be deemed employees of the United States within the meaning of the term "employee" as defined in that section.

(b) AMENDMENT OF TITLE 5.—Section 8332(b) of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (11);

(2) by striking out the period at the end of paragraph (12) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (12) the following new paragraph:

"(13) service as an enrollee or crew leader only if the enrollee or crew leader in the American Conservation Corps later becomes subject to this subchapter.".

USE OF VOLUNTEERS

SEC. 7. (a) Where any program agency has authority to use volunteer services in carrying out functions of the agency, such agency may use volunteer services for purposes of assisting projects related to conservation centers established under this Act and may expend funds made available for those purposes to the agency, including funds made available under this Act, to provide for services or costs incidental to the utilization of such volunteers, including transportation, supplies, lodging, subsistence, recruiting, training, and supervision.

(b)(1) The Secretary may recruit, without regard to the civil service classification laws, rules or regulations, the services of individuals contributed without compensation as volunteers for aiding or in facilitating the activities administered by the Secretary through the Bureau of Land Management.

(2) In accepting such services, the Secretary—

(A) shall not permit the use of volunteers in hazardous duty or law enforcement work, or in policymaking processes or to displace any employee, enrollee, crew leader, or other participant under this Act; and

(B) may provide for services or costs incidental to the utilization of volunteers, including transportation, supplies, lodging, subsistence, recruiting, training, and supervision.

(3) Volunteers under this subsection shall not be deemed employees of the United States except for the purposes of the tort claims provisions of title 28, United States Code, and subchapter I of chapter 81 of title 5, United States Code, relating to compensation for work injuries.

ENROLLEE PAY AND SERVICE OBLIGATIONS

SEC. 8. (a) PAY.—The Secretary shall establish standards for—

(1) rates of pay for enrollees which shall be not less than the wage required by section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)); and

(2) rates of pay for crew leaders which shall be at a wage comparable to the compensation in effect for grades GS-3 to GS-7.

(b) SERVICE OBLIGATION.—Except for enrollees in a program limited to the months of June, July, and August, each enrollee in a program authorized by this Act shall agree to—

(1) work 40 hours per week in a program carried out by a program agency pursuant to section 4;

(2) the contribution of 25 percent of the pay the enrollee is entitled to pursuant to subsection (a) to the educational trust fund established under section 10 of this Act; and

(3) serve at least six months and for six-month intervals but in no event more than 24 months in order to receive the Federal matching funds under the educational trust fund pursuant to section 10(b)(2).

EDUCATION, GUIDANCE, AND PLACEMENT

SEC. 9. (a) ACADEMIC CREDIT.—Whenever possible, the Secretary shall make arrangements for the award of academic credit by educational institutions and agencies to enrollees for competencies developed from work experience under this Act.

(b) STUDY.—Program agencies may provide training and educational materials and services for enrollees and may enter into arrangements with academic institutions for academic study by enrollees during nonworking hours to upgrade literacy skills, obtain equivalency diplomas or college degrees, or enhance employable skills. Whenever possible, an enrollee seeking study or training not provided at his or her conservation center shall be offered assignment to a conservation center providing such study or training.

(c) CERTIFICATION.—The program agencies shall provide certification of the training skills acquired by enrollees who have participated in the program.

(d) GUIDANCE AND PLACEMENT.—The program agency shall provide such job guidance and placement information and assistance for enrollees as may be necessary. Such assistance shall be provided in coordination with appropriate State, local, and private agencies and organizations.

EDUCATION TRUST FUND

SEC. 10. (a)(1) There is established in the Treasury of the United States a trust fund to be known as the "American Conservation Corps Education Trust Fund" which shall consist of—

(A) amounts transferred to the trust fund under subsection (b);

(B) amounts credited to the trust fund under subsection (c); and

(C) such amounts as may be appropriated to the trust fund.

The trust fund shall remain available without fiscal year limitation and the amounts

in the trust fund may be used only for appropriations authorized under subsection (d).

(2) The Secretary of the Treasury shall be the trustee of the trust fund and shall report to the Congress not later than March 1 of each year on the operation and status of the trust fund during the preceding fiscal year and on the trust fund's expected operation and status during the five fiscal years following such fiscal year.

(b)(1) From amounts appropriated pursuant to section 5(d)(6), the Secretary shall transfer to the Secretary of the Treasury an amount equal to 25 percent of the anticipated stipends to be paid to enrollees under this Act in the fiscal year in which the transfer is made. The Secretary of the Treasury shall transfer such amounts to the trust fund. The Secretary of the Treasury shall transfer at least quarterly the amount required to be transferred under this subsection on the basis of estimates made by the Secretary of the Treasury. Proper adjustments shall be made in any amounts subsequently transferred to the extent prior estimates were in excess of, or less than, the actual stipends paid for preceding quarters.

(2) The Secretary of the Treasury shall transfer from the General Fund of the Treasury to the trust fund an amount equal to 200 percent of the amount transferred pursuant to paragraph (1) of this subsection in each quarter. During the fiscal year proper adjustments shall be made in any amounts subsequently transferred to the extent prior estimates were in excess of, or less than, the actual stipends paid for preceding quarters.

(c)(1) 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—

(A) on original issue at the issue price, or

(B) by purchase of outstanding obligations at the market price.

(2) Any obligation acquired by the trust fund may be sold by the Secretary of the Treasury at the market price.

(3) 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.

(d)(1) There are authorized to be appropriated for each fiscal year out of amounts in the trust fund such sums as are necessary to—

(A) make payments authorized under section 11 of this Act, and

(B) make such other payments as may be necessary for the fair and efficient administration of the postservice educational benefits under section 11, including payments required by reason of section 11(e) and section 12(b) of this Act.

POSTSERVICE EDUCATIONAL BENEFITS

SEC. 11. (a)(1) Each enrollee in the American Conservation Corps program may within six years after the completion of the period of service described in section 8(b) withdraw amounts from the trust fund to which the enrollee is entitled to attend any eligible institution.

(2) Each recipient is entitled to the amount transferred on his behalf pursuant to section 10(b)(1) plus 200 percent of that amount transferred pursuant to section 10(b)(1), plus interest at 6 percent per year.

(b) Each such enrollee shall sign an agreement to use the funds paid under this section to pay the cost of tuition, and living expenses attributable to enrollment in an eligible institution.

(c) The Secretary is authorized to extend the six-year period referred to in paragraph (1) of subsection (a) for service as a member of the Armed Forces of the United States.

(d) For the purpose of this Act an eligible institution includes—

(1) an institution of higher education as defined in section 1201 (a) of the Higher Education Act;

(2) an eligible institution as defined under section 435 of the Higher Education Act of 1965; and

(3) any institution or course of study approved for veterans for the purposes of chapters 32, 34, 35, and 36 of title 38, United States Code.

(e)(1) Any such enrollee may prior to the end of the six-year period referred to in paragraph (1) of subsection (a) withdraw amounts to which the enrollee is entitled under paragraph (2) of subsection (a) from the educational trust fund. Whenever any such enrollee withdraws such amount for any purpose other than the purposes described in subsection (b) the amount to which the enrollee is entitled is the amount transferred pursuant to section 10(b)(1), plus interest at 6 percent per year.

(2) Any enrollee who withdraws some, but not all, of the amounts to which the enrollee is entitled under paragraph (2) of subsection (a) from the educational trust fund for the purposes described in subsection (b), shall be entitled to withdraw from the remaining funds to which the enrollee would otherwise be entitled under paragraph (2) of subsection (a) for any purpose other than the purposes described in subsection (b) an amount proportionate to the amount transferred pursuant to section 10 (b)(1), plus interest at 6 percent per year.

(3) Any enrollee who withdraws any amount to which the enrollee is entitled under paragraph (2) of subsection (a) for any purpose other than the purposes described in subsection (b) may not—

(A) reenter the program authorized by this Act; and

(B) withdraw any additional funds from the trust fund at any future date.

EVALUATION AND PILOT PROJECTS

SEC. 12. (a) RESEARCH AND EVALUATION.—The Secretary shall provide for research and evaluation to—

(1) determine costs and benefits, tangible and otherwise, of work performed under this Act and of training and employable skills and other benefits gained by enrollees, and

(2) identify options for improving program productivity and youth benefits, including improved alternatives for: organization, subjects, sponsorship, and funding of work projects; recruitment and personnel policies; siting and functions of conservation centers; work and training regimes for youth of various origins and needs; and cooperative arrangements with programs, persons and institutions not covered under this Act.

(b) DEMONSTRATIONS.—The Secretary may authorize pilot or experimental projects to demonstrate or test new or alternative arrangements or subjects of work and training for programs under this Act, which may include alternatives identified under subsection (a)(2).

(c) CCC SITES.—The Secretary, in consultation with the Secretary of Agriculture, shall study sites at which Civilian Conservation Corps activities were undertaken for purposes of determining a suitable location and means to commemorate the Civilian Conservation Corps. Not later than one year after the date of the enactment of this Act, the Secretary shall submit a report to the Congress containing the results of the study carried out under this section. The report shall include cost estimates and recommendations for any legislative action.

ANNUAL REPORT

SEC. 13. The Secretary shall prepare and submit to the President and to the Congress at least once each year a report detailing the activities carried out under this Act. Such report shall be submitted not later than December 31 of each year following the date of enactment of this Act. The report shall describe (1) conservation work procedures, accomplishments and benefits; (2) the extent to which youth who are economically, socially, physically or educationally disadvantaged have been enrolled in and benefited by the program; (3) other youth benefits; and (4) problems and opportunities encountered in carrying out the Act which require attention. The Secretary shall include in such report such recommendations as he considers appropriate.

LABOR MARKET INFORMATION

SEC. 14. The Secretary of Labor shall make available to the Secretary and to any program ageny under this Act such labor market information as is appropriate for use in carrying out the purposes of this Act.

EMPLOYEE APPEAL RIGHTS

SEC. 15. (a) In the case of—

(1) the displacement of a Federal employee or the failure to reemploy a Federal employee in a layoff status, contrary to a certification under section 5(d)(2) (A) or (B) of this Act, or

(2) the displacement of a Federal employee by reason of the use of one or more enrollees under section the use of one or more enrollees under section 7(b)(2)(A) of this Act,

such employee is entitled to appeal such action to the Merit Systems Protection Board under section 7701 of title 5, United States Code.

(h) In the case of—

(1) the displacement of any other individual employed (either directly or under contract with any private contractor) by a program agency or grantee, or the failure to reemploy an employee in layoff status, contrary to a certification under section 205(d)(2) (A) or (B) of this Act, or

(2) the displacement of such individual by reason of the use of one or more enrollees under section 7(b)(2)(A) of this Act

the requirements contained in section 144 of the Job Training Partnership Act (Public Law 97-300) shall apply, and such individual shall be deemed an interested person for purposes of the application of such requirements.

(c) For purposes of this section, the term "displacement" includes, but is not limited to, any partial displacement through reduction of nonovertime hours, wages, or employment benefits.

By Mr. WILSON:

S. 2900. A bill to amend the Tariff Schedules of the United States to clarify the classification of unfinished gasoline; to the Committee on Finance.

CLARIFICATION ON THE CLASSIFICATION OF UNFINISHED GASOLINE

● Mr. WILSON. Mr. President, I am introducing a bill today that would clarify the tariff classification for imports of unfinished gasoline. This bill is intended to resolve an anomaly that would be created in the Tariff Schedules with respect to imports of unfinished gasoline as a result of the proposed reclassification of this product by the U.S. Customs Service. If this reclassification goes into effect, intermediate feedstocks would be dutiable at a higher rate than the finished product manufactured from it. Even more importantly, this reclassification would have a major adverse impact on the bilateral trade relationship between the United States and the People's Republic of China [PRC].

Gasoline has been imported from the PRC for the past 3 years. Throughout this period, Customs has consistently classified this product, as well as similar products from other foreign nations such as Mexico, as motor fuel under Tariff Schedules of the United States [TSUS] item No. 475.25. Under this classification, duties are assessed at the rate of 1.25 cents per gallon. Customs now proposes to reclassify this gasoline as a chemical mixture under schedule 4, part 2, subpart E. Under this classification, the tariff rate for gasoline from the PRC would be assessed at 5 percent or the highest rate applicable to the component material. As gasoline from the PRC contains tetra ethyl lead, with a duty rate of 11.1 percent, gasoline imports from the PRC would be assessed at that higher rate. This rate is equal to approximately 8.5 cents per gallon.

The apparent rationale for this reclassification is that the octane level of Chinese gasoline at the time of importation is below the standard for motor fuel set by the American Society of Testing and Materials. Despite the fact that this product is intended for use as gasoline, it must nevertheless be provided with certain additives after its importation to meet U.S. specifications. The Customs Service is of the view that this product cannot therefore be classified as motor fuel.

The proposed reclassification, with the very large duty rate increase, would have a very adverse effect on our bilateral trade relations with the PRC. Chinese exports of motor fuel to the United States constitute its largest single category of exported product to the United States. Yet, via this one administrative stroke, China's largest export item would immediately be halted. Such an action by an agency of the executive branch will appear incomprehensible to the Chinese. The ripple effects on sales of U.S. exports to China will undoubtedly be felt very shortly thereafter.

This bill does not raise or lower duty rates on imported gasoline. It is intended only to maintain that duty rate structure which has consistently been applied to such product up until this time.

This bill is supported and, indeed, recommended by the administration. Both the Department of Commerce and the Office of the U.S. Trade Representative have called for the earliest possible consideration of such action.

I urge my colleagues to join me in supporting this bill.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

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

S. 2900

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

SECTION 1. Part 10 of schedule 4 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended—

(1) by inserting the following at the end of headnote 2:

"(c) 'Motor fuel blending stock' (item 475.27) is any product derived primarily from petroleum, shale oil, or natural gas, except napthas, whether or not containing additives, which is chiefly used for direct blending in the manufacture of motor fuel."; and

(2) by adding in numerical sequence a new item 475.27 called "Motor fuel blending stock", with a column one rate of 1.25¢ per gallon and a column two rate of 2.50¢ per gallon; and

(3) by amending item 475.30 by inserting "or motor fuel blending stock" after "fuel".

SEC. 2. The amendments made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after January 1, 1984.●

ADDITIONAL COSPONSORS

S. 1623

At the request of Mr. DOLE, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 1623, a bill to establish a National Commission on Neurofibromatosis.

S. 2380

At the request of Mr. HEINZ, the name of the Senator from Indiana [Mr. QUAYLE] was added as a cosponsor of S. 2380, a bill to reduce unfair practices and provide for orderly trade in certain carbon, alloy, and stainless steel mill products, to reduce unemployment, and for other purposes.

S. 2433

At the request of Mr. DANFORTH, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 2433, a bill to amend chapter 35 of title 44, United States Code, relating to the coordination of Federal information policy, and for other purposes.

S. 2750

At the request of Mr. WALLOP, the names of the Senator from Montana [Mr. MELCHER], the Senator from Alaska [Mr. STEVENS], and the Senator from Wyoming [Mr. SIMPSON] were added as cosponsors of S. 2750, a bill to permit States to bring suits against the United States to adjudicate disputed land titles.

S. 2845

At the request of Mr. DANFORTH, the name of the Senator from New Hampshire [Mr. HUMPHREY] was added as a cosponsor of S. 2845, a bill to amend the Trade Act of 1974 to clarify the scope of certain determinations by the International Trade Commission under title II of such act.

S. 2879

At the request of Mr. MELCHER, the name of the Senator from Arizona [Mr. GOLDWATER] was added as a cosponsor of S. 2879, a bill to provide for cooperation between the Secretary of the Interior and Indian tribes with respect to the regulation of coal mining operations on Indian reservation lands and the acquisition and reclamation of abandoned mines on such land, and for other purposes.

S. 2894

At the request of Mr. MELCHER, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 2894, a bill to amend the Internal Revenue Code of 1954 to clarify the application of the imputed interest and interest accrual rules in the case of sales of residences, farms, and real property used in a trade or business.

SENATE JOINT RESOLUTION 299

At the request of Mr. ABDNOR, the names of the Senator from Virginia [Mr. TRIBLE], the Senator from New Mexico [Mr. DOMENICI], the Senator from South Carolina [Mr. THURMOND], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Mississippi [Mr. COCHRAN], and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of Senate Joint Resolution 299, a joint resolution to designate November 1984 as "National Diabetes Month."

SENATE JOINT RESOLUTION 301

At the request of Mr. MITCHELL, the names of the Senator from Maryland [Mr. SARBANES], the Senator from Michigan [Mr. LEVIN], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Georgia [Mr. NUNN], the Senator from New Mexico [Mr. DOMENICI], the Senator from Indiana [Mr. QUAYLE], the Senator from Illinois [Mr. DIXON], the Senator from Florida [Mrs. HAWKINS], the Senator from South Dakota [Mr. PRESSLER], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Connecticut

[Mr. DODD], and the Senator from Nevada [Mr. LAXALT] were added as cosponsors of Senate Joint Resolution 301, a joint resolution to authorize the Kahlil Gibran Centennial Foundation of Washington, DC, to erect a memorial in the District of Columbia.

SENATE JOINT RESOLUTION 304

At the request of Mr. HELMS, the names of the Senator from Illinois [Mr. PERCY], and the Senator from Minnesota [Mr. BOSCHWITZ] were added as cosponsors of Senate Joint Resolution 304, a joint resolution to designate the month of October 1984 as "National Quality Month."

SENATE JOINT RESOLUTION 331

At the request of Mr. DANFORTH, the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of Senate Joint Resolution 331, a joint resolution to require the Interstate Commerce Commission to consider certain indicators in determining the revenue adequacy of railroads, and for other purposes.

SENATE JOINT RESOLUTION 334

At the request of Mr. DOLE, the name of the Senator from Arizona [Mr. GOLDWATER] was added as a cosponsor of Senate Joint Resolution 334, a joint resolution to provide for the designation of the month of November 1984, as "National Hospice Month."

SENATE JOINT RESOLUTION 335

At the request of Mr. WARNER, the names of the Senator from California [Mr. CRANSTON], the Senator from Illinois [Mr. PERCY], the Senator from Colorado [Mr. ARMSTRONG], and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of Senate Joint Resolution 335, a joint resolution to designate the week beginning on May 19, 1985, as "National Tourism Week."

SENATE CONCURRENT RESOLUTION 120

At the request of Mrs. HAWKINS, the name of the Senator from Alabama [Mr. DENTON] was added as a cosponsor of Senate Concurrent Resolution 120, a concurrent resolution expressing the sense of the Congress that the legislatures of the States should develop and enact legislation designed to provide child victims of sexual assault with protection and assistance during administrative and judicial proceedings.

SENATE RESOLUTION 402

At the request of Mr. BOSCHWITZ, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of Senate Resolution 402, a resolution opposing certain proposed import restrictions by the European Community on U.S. agricultural products.

AMENDMENTS SUBMITTED

INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1984

PELL AMENDMENTS NOS. 3586 THROUGH 3588

Mr. PELL submitted three amendments intended to be proposed to the bill S. 2582, to provide a supplemental authorization of appropriations for the fiscal year 1984 for certain foreign assistance programs; to amend the Foreign Assistance Act of 1961, the Arms Export Control Act and other Acts to authorize appropriations for the fiscal year 1985 for international security and development assistance, for the Peace Corps, and the International Development Association, and for other purposes, as follows:

AMENDMENT NO. 3586

On page 51, following line 21 add the following new section:

"SEC. 902. (A) The Secretary of the Treasury shall instruct the U.S. Executive Directors to the World Bank, the InterAmerican Development Bank, the Asian Development Bank, and the African Development Bank to work to ensure that a comprehensive environmental impact assessment is conducted in connection with every development project reviewed and considered by the Board of Executive Directors, to seek modifications in any project which is likely to have a significant negative environmental impact, and to vote against any such project where adequate modifications are not adopted.

(B) The Secretary of the Treasury shall transmit annually a report to the Committee on Foreign Relations of the Senate and the Committee on Banking, Finance and Urban Affairs of the House on the implementation of this section. Such report shall include a list of projects which U.S. Executive Directors to each Bank have sought modifications in or voted against due to environmental considerations, the methodology employed by each Bank in making its environmental assessment of development projects, and the number of staff employed by such Banks in carrying out their environmental assessment."

AMENDMENT NO. 3587

At the appropriate place in the bill, add the following new section:

"SEC. . AMERICAN UNIVERSITY IN CAIRO.

The Secretary of State together with the Administrator for the Agency for International Development shall prepare a study which—

(1) investigates the long-term funding problems of the American University in Cairo, and

(2) determines what appropriate means may be used to help meet those funding problems, including the possible reconstitution of the Egyptian pound endowment. The results of this study shall be provided to the Speaker of the House of Representatives and the Chairman of the Foreign Relations Committee in the Senate by March 1, 1985."

AMENDMENT NO. 3588

At the end of the bill, add the following new section:

POLICY ON TAIWAN

SEC. . (a) The Congress finds that—

(1) February 28, 1984, marked the twelfth anniversary of the Shanghai Communique signed by the United States and the People's Republic of China;

(2) The communique and the 1979 United States-People's Republic of China normalization agreement greatly improved relations between Washington and Beijing;

(3) peace has prevailed in the Taiwan Strait since the normalization of relations between the United States and the People's Republic of China;

(4) maintaining a sound United States-People's Republic of China relationship serves the interests of both countries and the interests of peace in the Pacific region;

(5) the United States has also pledged in the Taiwan Relations Act to continue commercial, cultural, and other relations between the people of the United States and the people of Taiwan; and

(6) the United States established diplomatic relations with the People's Republic of China in the expectation that the future of Taiwan will be determined by peaceful means.

(b) it is the sense of the Congress that Taiwan's future should be settled peacefully, free of coercion, and in a manner acceptable to the people of Taiwan and consistent with the Taiwan Relations Act enacted by the Congress and with the communiques entered into between the United States and the People's Republic of China.

COMMISSION ON OBSERVANCE OF MARTIN LUTHER KING, JR. HOLIDAY

MATHIAS (AND DOLE) AMENDMENT NO. 3589

Mr. BAKER (for Mr. MATHIAS and Mr. DOLE) proposed an amendment to the bill H.R. 5890, to establish a commission to assist in the first observance of the Federal legal holiday honoring Martin Luther King, Jr.; as follows:

Strike out all after the enacting clause and insert in lieu thereof the following: That the Congress finds that—

(1) January 20, 1986, marks the first observance of the Federal legal holiday, established by Public Law 98-144, honoring the birthday of Martin Luther King, Jr.;

(2) such holiday should serve as a time for Americans to reflect on the principles of racial equality and nonviolent social change espoused by Martin Luther King, Jr.; and

(3) it is appropriate for the Federal Government to coordinate efforts with Americans of diverse backgrounds and with private organizations in the first observance of the Federal legal holiday honoring Martin Luther King, Jr.

SEC. 2. There is established a commission to be known as the Martin Luther King, Jr. Federal Holiday Commission (hereinafter in this Act referred to as the "commission").

SEC. 3. The purposes of the Commission are—

(1) to encourage appropriate ceremonies and activities throughout the United States relating to the first observance of the Fed-

eral legal holiday honoring Martin Luther King, Jr., which occurs on January 20, 1986; and

(2) to provide advice and assistance to Federal, State, and local governments and to provide organizations with respect to the observance of such holiday.

SEC. 4. (a) The Commission shall be composed of—

(1) four officers from the executive branch, appointed by the President;

(2) four Members of the House of Representatives, appointed by the Speaker of the House of Representatives in consultation with the minority leader of the House of Representatives;

(3) four Senators, appointed by the President pro tempore of the Senate in consultation with the majority and minority leaders of the Senate;

(4) Coretta Scott King and two other members of the family surviving Martin Luther King, Jr., appointed by such family;

(5) two individuals representing the Martin Luther King, Jr. Center for Non-Violent Social Change (a not-for-profit organization incorporated in the State of Georgia), appointed by such organization; and

(6) fourteen individuals other than officers or employees of the United States or Members of Congress, appointed by the members of the Commission under paragraphs (1) through (5) of this subsection from among individuals representing diverse interest groups, including individuals representing labor, business, civil rights, and religious groups, and entertainers.

(b) Not more than half of the members of the Commission appointed under each of paragraphs (2), (3), (5), and (6) of subsection (a) shall be of the same political party.

(c) Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the manner in which the original appointment was made.

(d) Members of the Commission shall serve without pay, but may, subject to section 7, be allowed travel expenses, including per diem in lieu of subsistence, while away from their homes or regular places of business in the performance of services for the Commission.

SEC. 5. (a) The Commission shall first meet within 30 days after the date of the enactment of this Act. At this first meeting the Commission shall elect a chairperson from among its members and shall meet thereafter at the call of the chairperson.

(b) The Commission may encourage the participation of, and accept, use, and dispose of donations of money, property, and personal services from, individuals and public and private organization to assist the Commission in carrying out its responsibilities under this Act.

(c) The provisions of the Federal Advisory Committee Act shall not apply to the Commission established under this Act.

SEC. 6. (a) The Commission may appoint a director and a staff of not more than five persons, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. Subject to section 7, the Commission shall set the rates of pay for the director and staff, except that the director may not be paid at a rate in excess of the maximum rate of pay payable for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code, and no staff member may be paid at a rate in excess of the maximum rate of pay payable for grade GS-13 of such General Schedule.

(b)(1) Upon the request of the Commission, the head of any department or agency of the United States may detail, on a nonreimbursable basis, any of the personnel of such department or agency to the Commission to assist it in carrying out its responsibilities under this Act.

(2) Each head of such department or agency is authorized to cooperate with and assist the Commission in carrying out its responsibilities under this Act.

SEC. 7. All expenditures of the Commission shall be made from donated funds.

SEC. 8. Not later than April 20, 1986, the Commission shall submit a report to the President and the Congress concerning its activities under this Act.

SEC. 9. The Commission shall cease to exist after submitting its report under section 8.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON CIVIL SERVICE

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Civil Service of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Wednesday, August 1, to hold a hearing on S. 2821, Civil Service Former Spouse Benefits Act of 1984.

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

SUBCOMMITTEE ON TRANSPORTATION

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Transportation of the Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Wednesday, August 1, to hold a hearing on buy America restrictions on the use of foreign-made cement in Federal-aid highway projects.

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

SUBCOMMITTEE ON NEAR EASTERN AND SOUTHEAST ASIAN AFFAIRS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Near Eastern and South Asian Affairs of the Committee on Foreign Relations, be authorized to meet during the session of the Senate on Wednesday, August 1, at 2 p.m., to hold a closed briefing on recent developments in the Middle East.

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

SUBCOMMITTEE ON INTERNATIONAL ECONOMIC POLICY

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on International Economic Policy of the Committee on Foreign Relations, be authorized to meet during the session of the Senate on Thursday, August 2, to hold a hearing on S. 2524, use of IMF resources by major copper producing companies.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, August 1, to hold a hearing on S. 2456, Commission on the Ukraine Famine Act.

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

ADDITIONAL STATEMENTS

THE HELSINKI FINAL ACT—9 YEARS LATER

● Mr. DOLE. Mr. President, today, August 1, 1984, marks the ninth anniversary of an historic event—the signing of the Helsinki Final Act. Nine years ago, the leaders of 32 European nations, the Soviet Union, Canada, and the United States agreed to enhance European security and cooperation through increased trade, cultural, and scientific exchanges and the relaxing of military tensions. Significantly, the 35 signatories to the Final Act also recognized the importance of human rights in their relations. Indeed, the recognition of human rights is a fundamental principle behind Helinski. Seldom has the promise of security and cooperation generated such hope.

In signing the Final Act, each signatory pledged their respective governments to uphold all the provisions stipulated therein. Besides the more traditional concerns of military security and economic cooperation, these provisions carved out a legitimate place in East-West diplomacy for subjects of a humanitarian nature such as religious liberty, family reunification and the uninterrupted dissemination of information. Clearly, all the signatories, for the first time, recognized that the way in which a government treats its own citizens can affect that government's relationship with other nations.

Unfortunately, Mr. President, some signatories have flagrantly violated both the spirit and letter of the Final Act. The Soviet Union, and some of her East European allies, continue to jam Western radio broadcasts, restrict freedom of religion, deny their citizens the right, as stated in the Final Act, "to know and act upon their rights," and supress their peoples' freedom of movement. These violations are compounded by the Soviet Government's increasingly vicious campaign in Afghanistan, by their harsh abuse of those who seek to promote human right within the Soviet Union, including members of the Moscow, Ukrainian, Lithuanian, Armenian and Georgian Helsinki Monitoring Groups, and their contempt for world opinion as illustrated by their silence about the Sakharovs.

As Cochairman of the Commission on Security and Cooperation in Europe, I have become acquainted with numerous Soviet violations of the Helsinki Final Act, including violations of the family reunfication provisions. One such case, the Yakir family of Moscow, is indicative of the Soviets' flagrant disregard of the humanitarian aspects of the Helsinki accords. Yevgeny and Rimma Yakir and their 28-year-old son Alexander are Soviet Jewish refuseniks. Since 1973, they have been attempting to emigrate to Israel, and yet they have been continually refused permission to do so. At the same time, the Yakirs have been harassed by the KGB and dismissed from their jobs. At the moment, the Yakirs' hopes are at a very low ebb. In June, Alexander was arrested on charges of draft evasion for refusing to obey a summons to report for military services. Alexander declared that for him to swear an oath of loyalty to the Soviet Army would be an act of dishonesty and a direct betrayal of his principles. Alexander's trial, and with it the crushing of his family's hopes for emigration in the near future, is scheduled for tomorrow, August 2.

On this ninth anniversary of the Helsinki Final Act, we must rededicate ourselves to the promise of the better world envisioned by these accords and to the work necessary to realize this hope. Through our efforts to ensure Soviet compliance with this historic act, we will bring about an improvement in the lives of those who live under Soviet and East European domination. It is my sincere hope that the Yakir family will one day very soon reap the benefits of improved Soviet compliance. For without these improvements, true security and cooperation in Europe will be very difficult to attain indeed.●

MINNIE PEARL: TENNESSEE'S TREASURE

● Mr. SASSER. Mr. President, it is with pride that today I address the Senate to honor one of Tennessee's greatest gifts to the entire world—our one and only Minnie Pearl.

On August 2, Minnie Pearl will be here in Washington to receive the coveted Mark Twain Award for Humor from the International Platform Association. She will join such luminaries as Bob Hope and Art Buchwald and a mere handful of others who have been so recognized. I cannot think of anyone more worthy of this award.

Throughout her career of 50 years, Minnie Pearl has brought us a more innocent world, peopled with an entire cast of kin and near kin, in which fun is the only object and common sense is the only viewpoint. I only wish Tennessee had more of her to share with the less fortunate.

Mr. President, without objection I should like to enter in the RECORD an article which appeared on July 13 in the Tennessean about our Tennessee treasure, Minnie Pearl.

The article follows:

ANOTHER HONOR FOR MINNIE—COMEDIENNES GROUP TO PRESENT MARK TWAIN AWARD

(By Sandy Neese)

That special pearl of the Opry named Minnie is about to add another feather to her famous hat.

On August 2, the queen of country comediennes will become the first ever country act to be honored with the prestigious Mark Twain Award for Humor from the International Platform Association. The ceremonies will take place in Washington, D.C. during IPA's annual convention.

"I've never understood why I'm getting it," she says with characteristic modesty. "Only about 10 or 15 people have received it. I was just shocked out of my mind. It's entirely different from anything I've ever gotten and I value it very highly because it's so old."

Upon her acceptance of the honor, Nashville's own favorite daughter will join a very exclusive club. Former recipients include such international celebrities as Bob Hope, Danny Kaye, Erma Bombeck, Victor Borge, Norman Lear, Art Buchwald and George Plimpton.

She'll receive a silver bowl at the gala awards dinner, and already knows what the inscription will read. "It'll say 'The Mark Twain Award to Minnie Pearl, a gentle depictor of the virtues and frailties of the human race with humor's paintbrush.' Isn't that pretty! I'm not known as being gentle as a rule, I'm usually pretty broad," she quips.

Ironically, the Opry funny lady remembers the days during the 1920s and 1930s when platform speakers toured the country, entertaining audiences in small towns across the length and breath of America. The International Platform Corporation, she says, is an offshoot of the old Lyceum Corporation.

"The Lyceum Corporation sent people around who were platform speakers. A lot of people in this generation have never heard of a platform speaker. But I'll tell you who was a platform speaker—James Whitcomb Riley. And another one was Mark Twain. There were lots of them. Sometimes they'd carry a prop, like a table or a lamp. They were what I think we'd call now 'standup comics'."

"They did humorous monologues, performing alone on a platform. Some local club or organization would bring them in.

"Like in my hometown of Centerville, it was Mama's reading circle that signed up for a speaker. They would guarantee them what was a nominal fee at that time, I'm sure, to come in and talk. Then they'd have an evening of entertainment at the town hall or whatever, and all the people would go. It was a cultural thing.

The speakers fascinated a young Sarah Ophella Colley, a.k.a. Minnie Pearl, for she never had any doubts about what career she wanted to pursue. "These speakers had subtle, delightful humor. I can remember going, and I would just sit open-mouthed, because I already had in my mind that I was going on stage. Why, I never said I was going to do anything else," she says, determination still ringing in her voice.

"Other people would say to the children, "What are you going to do when you grow up? They'd say, 'I want to be a nurse,' or 'I want to be a teacher,' or 'I want to be housewife,' I'd say, 'I'm going to go on stage and make it.' And you know what my Mama and Daddy said? 'Oh, no! Oh, no!' They kept me at home until I was 21, then I took off like Judas' goat.

"I left in August of 1934 to seek my fortune, I first went on the stage at 18 months old, when I sang in a recital. That was not only the beginning, but also the end," says this delightful lady, laughing. "They should've pinched my little head off!"

It is fitting that the IPA should present the award to Minnie in August, for that is the month that marks the country comedienne's 50th anniversary as an entertainer.

"I've been 44 years on the Opry, and 16 years on 'Hee Haw.' And in August, I'll celebrate my 50th year in show business," she says.

She's hard at work now on the Minnie Pearl Museum, which she hopes will be ready to open during her silver anniversary month. In the museum will be a lot of the mementos she's acquired during her years of making audiences all over the world laugh. And she's as excited as a kid about to go to the circus!

"We're redoing a building on Division that was a studio and it's going to be a little Victorian cottage, yellow clapboard with white trim and window boxes, like my little imaginary cottage at Grinders Switch," she says with enthusiasm.

"It's going to be different from the other museums. We'll have a gift shop, too, and I've got the cutest little Minnie Pearl doll! She's so sweet, just so precious! She's a soft doll and she has the Minnie hat and the calico pinafore. And my hats! Oh, my souvenir hats are adorable! They're made by the Amish."

Also for sale in the gift shop will be a reissue of the Minnie Pearl cookbook and her *Christmas at Grinders Switch,* which she wrote 20 years ago. "That makes a wonderful Christmas gift. It tells the story of the way Christmas was . . . is, at Grinders Switch."

But there'll be much more behind those cottage doors across from the parking lot of the Country Music Hall of Fame than a gift shop. "Now, I sound commercial, because I'm talking so much about the gift shop. But the actual museum is very uncommercial.

"It's the story more or less of the life of Minnie Pearl, from Grinder's Switch to the Grand Ole Opry, plus the woman behind her, Sarah Ophelia Colley Cannon, and her life. I'm the only person who has a museum that I know of that's two people!

"Chris Tibbott—she does the sets for 'Hee Haw'—is doing the inside, and it's going to be darling! We're going to have a great big 12-foot hat just like my hat suspended upside down from the ceiling."

Minnie Pearl's second most recognizable trademark, after the pricetagged hat, are her old shoes.

And therein lies a problem. "I took them off on the Grand Ole Opry one night and gave them to my best friend Roy Acuff for his museum. I said, 'I'd love to have my shoes in your museum, but if you don't mind I'll borrow them back to wear while I'm living.'" She's got them, but they're not hers. "Now I'm faced with whether to ask him to give them to me for my museum!"

Visitors to the Minnie Pearl Museum will have access to valuable film footage of the comedienne performing with everyone from Tennessee Ernie Ford to priceless shots of

Minnie and Rod Brasfield on the stage of the Old Ryman Auditorium.

"And I've got the film from 'This Is Your Life' when I was on in 1957. It's going to be something else! We're going to show my life from the first time I went on stage at 18 months."●

IRBY COOPER: BUSINESSMAN AND HUMANITARIAN

● Mr. SASSER. Mr. President, I want to take this occasion today to direct the attention of my colleagues to the example of Mr. Irby Cooper of Memphis, a man whose way of life provides a standard worthy of the attention of all of us: success in the world of American business and the drive to succeed need not be the only qualities which define one in life; indeed, in the case of Irby Cooper, they merely complement a man of character, compassion and commitment.

Let me illustrate the point. The Memphis Business Journal recently contained an article which outlines Irby's remarkably successful record as a builder and developer of hotels, office buildings and other facilities. I ask unanimous consent that the article be printed in the RECORD at the conclusion of my remarks.

As impressive as the litany of successful business ventures of Irby Cooper is, it reveals only a part of the man.

In the many years I have had the privilege of knowing him, Irby Cooper has always been first a family man. Both he and his wife Bernice are devoted to each other and to their four children.

The intensity of the Cooper devotion to family is matched by his dedication to another key part of his life; a devout man, Irby is tireless and selfless in the spiritual and community activities that revolve about the synagogue. This commitment of the Coopers is well-known and regarded with both affection and admiration in Memphis; the family was honored for its many contributions earlier this year at an annual Israel bond drive dinner, an event at which I was fortunate enough to participate.

Then, too, there are the endless contributions that Irby and the Cooper family make to the civic and community life of Memphis, a city he cherishes and for which does so much. There is, in fact, so much that can be said in this regard that I might neglect the focus of my remarks, and that is that all of us would do well to emulate the example provided in life by a man as successful as Irby Cooper.

As successful in business as he has been, Irby is self-effacing and ready to credit another Memphian—Kemmons Wilson, founder of the Holiday Inns—with providing an example. Kemmons Wilson," he says, "inspired positive attitudes, and after he guided us along, he gave me some confidence."

I can say the same of Irby Cooper, and I consider it an honor to share both his counsel and friendship. And as you consider the record of success achieved by Irby Cooper, remember that it is but a part of the life of an outstanding man.

[From the Memphis Business Journal, June 11-15, 1984]

COOPER REALTY IGNORES ADVICE, THEN SLEEPS EASY

(By Carroll Brumfield)

Irby Cooper is one man who didn't listen to Kemmons Wilson and hasn't regretted it.

It was in 1960 that Cooper approached the Holiday Inns founder with a deal that sounded like a sure loser—a hotel in the quaint little mountain hamlet of Gatlinburg, then a summer resort that folded up during the fall and winter months.

"A fellow who did some law work for me (Al Thomas) called me one day and said he'd just been to a bar association meeting in Gatlinburg. He said, 'You would not believe the town. It's nothing but resorts. You ought to think about building a hotel there' ," Cooper says.

"Gatlinburg wasn't what it is today. At the time, businesses would close come Labor Day, but the potential seemed very good, so I called Kemmons Wilson and told him I would like to do a Holiday Inn there."

Putting one of his hotels in a tourist town with such a short season didn't sound so hot to Wilson.

"He said, 'We don't believe in resorts', but that, if I wanted to, I could come out and talk to him."

Cooper did, and Wilson continued to try to discourage him, pointing out that it would be a high-risk venture. "He tells the story that he wrote me a letter . . . I don't know if he wrote me a letter, but he did tell me that," Cooper says.

Despite that, in 1961 the relentless Cooper obtained a franchise from Wilson and embarked on building a 103-room hotel with a group of investors that included his father, Louis Cooper, Memphis lawyer Raymond Shainberg and Shainberg's father-in-law, Louis Sturman.

Since then, the Gatlinburg Holiday Inn has grown to 411 rooms. And Cooper has built a 208-room Holiday Inn at Pidgeon Forge, just five miles away.

Moreover, the hard-won inn at Gatlinburg was the beginning of a new thrust for his Cooper Realty Co., which began as a part-time venture while Cooper worked nights as a reporter covering prep sports for The Commercial Appeal.

In those days, Cooper built homes, but today his firm owns and manages 10 hotels, eight Holiday Inns, a Ramada and a Hilton stretching from Fort Myers, Fla., to Kingston, NY. And while the company owns and manages a number of residential and commercial properties in Memphis and the Mid-South, it is the hospitality business that consumes most of Cooper's time.

Ironically, Cooper now gives much of the credit to Wilson for the success he's enjoyed in the hospitality industry—including that of the first hotel at Gatlinburg.

"I had a lot of confidence in Kemmons . . . He inspired positive attitudes, and after he guided us along, he gave us some confidence," Cooper says.

"Of course, I was nervous. Anybody honest in business, if they tell you the truth, will have a certain bit of nervousness. But that's good. It keeps your alarm signals up to watch for pitfalls."

Cooper subsequently established CSS Hotels and with his associates built properties in Cookeville and Newport, Tenn., Kingston, NY, Albion, Mich., and Decatur, Ala. The Albion property later was sold.

Another expansion came in 1982, when he and Knoxville investors built the Knoxville Airport Hilton Inn and the World's Fair Holiday Inn to provide lodging for visitors to the 1982 World's Fair. He also assumed management of the Ramada Airport Hotel in Fort Myers, Fla., that year.

Last year, Cooper opened the St. Peters/St. Charles, MO, Holiday Inns, and CSS Hotels built and opened the Pidgeon Forge property.

Cooper's innovative spirit has kept his inns at the top of Holiday Inns' occupancy list. He was among the first to introduce VIP floors with consierge service in his Holiday Inns in the early 1980s. The service is available in his hotels at Knoxville, Pidgeon Forge and St. Charles.

"It was just an idea that some guests who travel a lot would be willing to pay more to be catered to somewhat, to get special attention on special floors," says Cooper. "Its met with pretty good reception.

"In management, all of our people enjoy the hospitality business and find it exciting," says Cooper. "It sounds like a cliche, but they recognize the importance of the guest and want to make sure he knows we feel that way."

With women business travelers representing an increasingly important market share, Cooper's hotel managers are paying more attention to such details as security and amenities.

As in Gatlinburg, Cooper has bucked the mainstream at home. When most office building developers were heading east, in 1974 Cooper built the Mid-Memphis Tower at 1407 Union, a 15-story, 200,000 square-foot building with a parking garage.

Although it was "slower to rent," partly because of the mid-1970s recession, the building has been fully occupied. "We wanted some space for ourselves recently and we couldn't get it," he says. "That's a nice kind of a problem to have."

Cooper also developed the first mixed-use vertical building—Medical Center Tower, a 19-story fixture on Madison that contained commercial space on the ground floor, a garage, an office building and a hotel on the top. He has since sold the property.

Now Cooper searches for expansion markets for his hospitality division amid a hotel-building boom engendered by an industry move toward market segmentation.

"Like anybody in this business, I hope it doesn't get overbuilt," he says. "I'm not sure all the segments are needed or will be responded to . . . I think the middle segments will continue to succeed—middle to upper-mid-level properties, but not necessarily luxury prices."●

CONTACTS AND EXCHANGES—9 YEARS AFTER HELSINKI

● Mr. PELL. Mr. President, 9 years ago today, the leaders of 33 European nations, the United States, and Canada signed the Final Act of the Conference on Security and Cooperation in Europe [CSCE]. After 2 years of intensive negotiations, the signing ceremony represented a breakthrough in international diplomatic relations. While the Final Act encompasses

nearly every aspect of East-West relations, for the first time, human rights were accorded the status of a fundamental element of those relations. The 35 participating states recognized that respect for human rights is as important a factor in state-to-state relations as respect for national borders or refraining from the use of force.

Significantly, the Helsinki Final Act also called upon the signatories to promote exchanges and contacts in the cultural, educational, and scientific fields as a means of achieving greater mutual understanding among people. Such humanitarian cooperation among the people of the 35 nations, it was believed, should lead to a lessening of tensions among the governments of those nations and, eventually, to the establishment of genuine peace.

As a founding member of the U.S. Commission on Security and Cooperation in Europe and its original cochairman, I have witnessed the hard realities of implementing the provisions of the Helsinki Final Act. For even as the Final Act promotes exchanges in the fields of culture, education, science, and trade, it also encourages citizens and governments to question the pursuit of exchanges and contacts with regimes who show so little regard for cultural and intellectual freedom. My colleagues, it is this extraordinary paradox that became understood as the concept of "linkage," embodied in the Helsinki process.

This day, August 1, 1984, commemorates 9 years of Soviet abuses of the human rights provisions in the Helsinki agreement, and of condemning those abuses at the Belgrade, Madrid, Hamburg, and other CSCE meetings. Yet there have been positive developments in those 9 years, accomplishments that are too often forgotten in light of the overwhelming amount of work yet to be achieved.

Mr. President, the Helsinki Final Act was the impetus for theater seminars, academic exchange agreements, writers' conferences, legal statutes to ease travel restrictions and joint scientific research projects—all of which have borne positive results for both East and West. These improvements in private and official contacts are evidence that the Eastern governments are aware of their commitments to some provisions of the Final Act.

Mr. President, we must strive to ensure that other commitments—especially the human rights pledges—are met with no less vigor and determination. One method to achieve this is to ensure that the discussion of further exchanges among artists, businessmen, writers, journalists, and politicians be linked to considerations of the state's recognition of the individual's right to exercise fundamental rights: To practice his religion, to live in the country of his choice, to work in his field or to travel. Only by constantly reminding the Eastern governments of their obligation to respect human rights as we engage in cooperative endeavors will we create the kind of leverage that will ultimately ensure successful exchange programs—those which incorporate balance, reciprocity, and dignity among all citizens' contacts, East and West. In short, the Helsinki Final Act set a standard of governmental conduct that must apply to all human interaction.

Ours is not an easy task. The drafters of the Final Act recognized that achievement of the goals embodied in that historic document would be slow and gradual. Yet we should not be deterred by temporary setbacks. A firm and uncompromising commitment to the value of human rights will eventually produce the results of a more humane and just world.●

SOCIAL SECURITY COLA

● Mr. DOLE. Mr. President, on Tuesday, July 24, President Reagan announced his intentions to recommend a technical change in the Social Security cost of living adjustment (COLA) to ensure that the COLA is paid in January even if inflation is very low. Two days later, the Senate approved an amendment offered by me and the distinguished Senator from New York which would accomplish this end. This amendment to H.R. 1428 was approved by an overwhelming vote of 87-3.

In the past several days, I have received a number of calls from interested citizens and read a number of editorial accounts which indicate there is some real confusion about the nature and impact of the proposed change. I would like to take this opportunity to help clarify the record.

PRESENT LAW

Under the law, the annual COLA for Social Security and supplemental security income [SSI] recipients is paid in January of each year. Generally, it is based on the full increase in the cost of living, as measured by the Consumer Price Index, over the year ending a quarter before the adjustment is paid. In other words, the January 1985 COLA would be based on the full increase in the CPI between the third quarter of 1983 and the third quarter of 1984.

Due to a technicality, one which has been in the law since indexing was adopted in 1972, the COLA is not payable if it would be less than 3 percent; instead, it would be deferred until the following year. In the next year, the COLA would be based on the full increase in the cost of living over the preceding 2 years.

I would like to stress that the 3-percent trigger is a technicality in the law that few people were even aware of prior to the President's remarks. It was put in the law as a matter of administrative convenience—why bother to make such a small adjustment in millions of benefit payments when it could just be added to the amount that would otherwise be payable the following year. In addition, the 3-percent trigger was not in any way a financing solvency issue. As my colleagues may recall, in 1972, the Social Security trust funds were flush and believed to be well financed in the very long range.

THE ACTUAL COLA PAID OVER THE YEARS

The first COLA paid under the new law was in 1975 in the amount of 8 percent. The COLA has been paid in full ever since, at a rate of 6.4 percent in 1976, 5.9 percent in 1977, 6.5 percent in 1978, 9.9 percent in 1979, 14.3 percent in 1980, 11.2 percent in 1981, 7.4 percent in 1982, and, after a one-time 6-month delay enacted in the 1983 Social Security amendments, 3.5 percent in 1984. Due to the steady decline in the rate of inflation since President Reagan took office in 1981, we are now actually faced with the prospect that the COLA may not be triggered.

THE SENATE PROVISION

The amendment approved last week is a simple one. All it does is waive, for 1 year, the 3-percent trigger in the law. If the measured increase in the CPI turns out to be 3 percent or higher, this amendment will have no impact at all. If the measured increase in the CPI turns out to be less than 3 percent, this amendment will allow Social Security beneficiaries to receive their COLA on time, in its actual amount—whether that be 2.8 percent, 2.9 percent, or any other amount—rather than having it deferred until 1986.

Is the COLA likely to be less than 3 percent? At this point, no one is sure. To date—through June 1984—the rate of inflation has averaged 2.7 percent, on an annual basis. If the rate of inflation averages 4.3 percent or more in the July-October quarter, the COLA will exceed 3 percent and this amendment will have no effect. If inflation runs lower than that, this amendment will become operative. In that event, there will be a cost because benefits will be increased in 1985 when they otherwise would not have been.

According to the Social Security actuaries, if the COLA is 2.7 percent, that is estimated to cost about $4.8 billion in additional benefit payments. Part of this cost would be offset, however. When benefits are increased, so is the amount of earnings subject to the Social Security tax, though by an amount based on wage growth. The exempt amount under the retirement-earnings test is also increased. The net income is estimated at $1.5 billion, for a net cost in 1985 of $3.3 billion. There would be a negligible long-range cost.

Importantly, an expenditure on the Social Security and SSI COLA was ex-

pected to be made and also budgeted for. The Social Security Board of Trustees assumed a COLA of 4.7 percent and have based their trust fund projections on that assumption. The President's budget assumed a COLA of 4.3 percent and the budget and deficit projections are based on that assumption. With the actual rate of inflation now more favorable than assumed, any expenditure due to this amendment would already be fully accounted for. This does not suggest that any spending already budgeted for should be spent, only that the trust fund and budget projections we have been relying on will not be adversely effected.

Another point I would like to stress is that this proposal does not unravel the recommendations of the National Commission on Social Security Reform, as approved by Congress. The commission recommended, and the Congress enacted, a one-time 6 month delay in the COLA and also a stabilizer whereby if reserves are very low, the COLA would be based on the lower of the increase in wages or prices. In addition, the commission recommended and the Congress enacted a little noticed provision which actually waived the 3 percent trigger in 1984. There was concern about the misunderstanding that could be created if beneficiaries had their COLA delayed from July to January, waiting 18 months, only to learn that due to a technicality in the law, they would not receive a COLA for another 12 months. The Senate amendment just extends that provision for another year.

Certainly, there were good political reasons for supporting this amendment. Later this fall, when and if it became clear that a COLA would not be paid in January, Members of Congress would surely have scrambled to pass just this amendment. Whether the temptation could have been resisted to turn Social Security into another election-year issue only weeks before the election is anyone's guess. But my guess is that we will all be better off—Republicans and Democrats alike, and most especially, the elderly and disabled who depend on Social Security and SSI—not to go through that again needlessly. To approve this all but inevitable measure as quickly as possible makes good sense.

But we are not just playing politics by waiving the trigger. As we adjust to a new low inflation environment, it may be reasonable for Congress to consider some modification of the trigger on a more permanent basis. It may not be appropriate to have Social Security and SSI recipients wondering from year to year about whether or not the inflation rate will be above or dip below 3 percent. At least for the elderly and disabled poor who rely on SSI, even a 1 percent or 2 percent COLA is a real help.

SUPPORT FOR SENATE AMENDMENT

I might note in closing that Robert Myers, executive director of the National Commission on Social Security Reform, supports eliminating the 3 percent trigger on policy grounds and on the grounds that the trigger is technically flawed.

Quoting Mr. Myers, "From a policy standpoint, the elimination of the 3 percent trigger requirement is desirable. Such requirement was initially provided solely for administrative reasons—because of the difficulty then of making the increase applicable to so many millions of checks—but as a result of improved operating efficiency, such reason is no longer pertinent. Another reason for eliminating the trigger requirement as it is now contained in the law is that it over-benefits some beneficiaries—namely, those who first become eligible in the year after that in which the trigger requirement is not met." Due to this technical flaw, in fact, the 10-year cost of waiving the trigger is less than the 1985 cost. According to the Social Security actuaries, the net 10-year cost of paying a 2.7 percent COLA on time, rather than deferring it, is $1.1 billion.

I hope this information helps clarify the issues surrounding the Senate amendment. I applaud the President for having taken the initiatve in this area and am pleased with the bipartisan support the amendment received in the Senate.●

FEDERAL GRAND JURY INDICTS PAGAN MOTORCYCLE GANG MEMBERS

● Mr. NUNN. Mr. President, outlaw motorcycle gangs have become a serious menace to law and order in several sections of the United States. The Senate Permanent Subcommittee on Investigations, of which I am ranking minority member, has studied the activities of the motorcycle gangs and evaluated the effectiveness of law enforcement in combating them.

In preliminary inquiries by the minority staff of the subcommittee, and in subsequent hearings, we found that outlaw motorcycle gangs constitute substantive organized crime groups whose illegal activities include extortion, murder and political corruption as well as interstate traffic in firearms, stolen goods, prostitution and narcotics. Drug trafficking is a favorite pursuit of these gangs and in some regions of the Nation—in the Middle Atlantic States of Pennsylvania, New Jersey, Maryland, Delaware and adjacent area—they are believed by Federal law enforcement officers to play a preeminent role in the manufacture and distribution of synthetic drugs such as PCP, amphetamine, methamphetamine and dextroamphetamine.

In a report issued on July 17, 1984, the subcommittee devoted considerable attention to the presence of outlaw motorcycle gangs in the Middle Atlantic region and identified the Pagan motorcycle gang as being the strongest of such groups in that part of the Nation.

Formed in Prince Georges County, MD, in 1959, the Pagan gang is believed to have 40 to 45 chapters nationwide, about 26 of which reportedly are in New Jersey, Pennsylvania, Delaware, and Maryland. Police estimate membership may be as high as 800.

Among the witnesses called to testify before the subcommittee in its February 23, 1983, hearings on the Pagans, Banditos, Outlaws, Hell's Angels, and other motorcycle gangs were two reputed Pagan gang leaders, Donald (Gypsy) Trott of Newport, DE, believed to be the national vice president of the group, and Charles (McNut) McKnight of Chester, PA, reportedly in charge of the manufacture and distribution of methamphetamine and PCP for the Pagans in the Philadelphia area.

Independent inquiry by the subcommittee minority staff indicated that Trott and McKnight were two of the half donzen or so leaders who controled the nationwide activities of the Pagan gang. Appearing under subcommittee subpoena and accompanied by counsel, McKnight and Trott both refused to testify, invoking the fifth amendment privilege against self-incrimination, although Trott did waive the privilege briefly in response to several questions about his childhood, education, military service, and marriage.

Two days after the filing of the subcommittee report—in a July 19 action by a Federal grand jury in Philadelphia—Trott, McKnight, and 20 other reputed Pagan gang members and associates were indicted on racketeering charges in connection with an alleged large scale drug trafficking ring.

The indictments charged that Trott, McKnight, Paul (Ooch) Ferry of Islip Terrace, NY, the reputed national president of the gang, and the other defendants had "used force, violence, and threats of force and violence, including, without limitations, beatings and assaults" in operating their drug ring. The grand jury accused the gang members of having distributed methamphetamine and PCP since 1975.

This significant Federal action against the Pagans is the kind of antiorganized crime effort that the Investigations Subcommittee has been advocating for some time. Commenting on the threat to society posed by the outlaw motorcycle gangs, the July 1984 subcommittee report noted that these gangs are among a number of so-called emerging organized crime groups and should be subjects of inquiry and prosecution by Federal law enforcement, including the Federal or-

ganized crime strike forces as well as other components of the Justice Department. The subcommittee report went on to say:

While acknowledging readily that the overwhelming majority of motorcycle club enthusiasts are law-abiding and responsible men and women who engage in their sport as a wholesome recreational and social outlet, the subcommittee received harrowing accounts of the conduct of that very small percentage of bikers who practice a lifestyle at once criminal, barbaric and self-destrictive. Romanticized in fiction, outlaw bikers, in reality, are a dangerous, violent breed of hoodlum whose illicit activities should be controled more effectively by Federal law enforcement.

Ann W. O'Neill, a reporter on the Philadelphia Daily News, wrote an article on the recent Federal indictments of the gang members. Mr. President, I request that the article "Twenty-two Pagans Indicted on Drug Charges," from the Philadelphia Daily News of July 20, 1984, be printed at this point in the RECORD. In addition, Mr. President, I request that a press release from the U.S. attorney, eastern district of Pennsylvania, regarding the indictments also be printed in the RECORD at this point.

The material follows:

[From the Philadelphia Daily News, July 20, 1984]

22 PAGANS INDICTED ON DRUG CHARGES

(By Ann W. O'Neill)

The indictments of 22 Pagans—including the national president and 10 other members of the ruling Mother Club—dealt "a major blow to the leadership" of the outlaw cycle gang that has monopolized the manufacture and distribution of methamphetamine along the East Coast for a decade, authorities said yesterday.

A federal grand jury in Philadelphia returned two indictments yesterday, accusing 22 members and associates of the Pagans with federal racketeering offenses.

Five Pagans, all members of the Mother Club, the biker gang's governing body, were also charged with engaging in a continuing criminal enterprise under the federal "Drug Kingpin Statute." They are accused of using their position in the Pagan hierarchy for drug trafficking in several states.

Other members and associates were charged with federal drug violations involving the manufacture and distribution of "hundreds of pounds" of methamphetamine, a stimulant known as "speed," and phenyclyclidine, a hallucinogen known as "PCP," which is frequently sprayed on parsley and distributed as "killerweed," the indictment said.

The indictments followed a two-year investigation by the FBI, the U.S. Drug Enforcement Administration, state police in Pennsylvania and New Jersey and dozens of local law-enforcement agencies, U.S. Attorney Edward S.G. Dennis said. The continuing investigation, one of the largest and most comprehensive ever into motorcycle gang activity, could result in more indictments, federal law enforcement officials said.

A series of early morning raids in several states—including Pennsylvania, New Jersey and New York—resulted in the arrests of 18 Pagans. Four remain at large. Most of the bikers arrested were from Philadelphia, Delaware County and South Jersey—long considered Pagan strongholds. The arrests occurred without incident, said Allen K. Tolen, assistant special agent in charge of the FBI's Philadelphia office.

Dennis said the investigation of the Pagans' drug trafficking previously had resulted in the arrests of 49 members or associates, the seizure of four clandestine drug laboratories, and the confiscation of more than $500,000 worth of contraband.

Yesterday, authorities seized the Long Island home of Paul "Ooch" Ferry, 45, the national president of the Pagan motorcycle club, and a farmhouse near Pittsburgh owned by the Pagans. The properties were seized under a federal provision that allows the forfeiture of assets gained through criminal activity, Dennis said.

The grand jury's investigation showed the 22 used the Pagans "to organize, facilitate and control the manufacture and distribution" of speed and PCP both within the club and outside it.

The indicted Pagans used force, violence and threats to protect their drug suppliers, to control prices and quality of the drugs, to control or eliminate competition from outsiders, and to enforce discipline among club members, the indictments alleged.

The indictments identified the Pagan national officers as Ferry, the Mother Club president; vice president Donald "Gypsy" Trott, 49, a fugitive from Newport, Del.; treasurer Donald "Dino" Robinson, 36, of Aston, Delaware County; and Richard "Cheyenne" Richter, 36, address unknown. Local chapter presidents and officers from Philadelphia, Atlantic City and Delaware County were also among those indicted.

Other Philadelphia-area Pagans indicted were: John "Egyptian" Kachbalian, 22, of Fitzwater Street near 20th; Francis "Cheese" Copes, 37, of 4th Street near Pierce, identified as the Philadelphia chapter's sergeant-at-arms; Rocco "Rock 'n Roll" Kavatto, Turnersville, N.J., a club associate; Charles "McNut" McKnight, 43, of Glenolden, a Mother Club member and president of the Delaware County chapter; Kennth "Shadow" Weaver, 43, Linwood, N.J., president of the Atlantic City chapter; Michael "Caveman" Lawless, 26, Buist Avenue near 64th; Michael "Bugsy" Giordano, 32, of Cantrell Street near 27th; Charles "Uncle Charlie" Moore, age unknown, of C Street near Cambria; and John "Wacker John" Gavis, 39, address unknown.

No addresses were given for three members of the Mother Club Chapter, who are in jail on earlier charges. They are: Ronald "Angel" Cimorose, 40; Anthony "Mangy" Mengenie, 32; and Michael "White Bear" Grayson, 39.

The indictments, 76 pages and 101 pages, itemized dozens of incidents in which speed and PCP allegedly were delivered and distributed among Pagans from 1975 until last October. Many of the drug deals occurred during club social events—birthday and Christmas parties, weddings and funerals.

Attending many of those social events and meetings, according to the indictment, was James "Jimmy D" DeGregorio, a former Pagan speed manufacturer, or "cooker," turned informant. DeGregorio, who was not indicted, became a federal informant when he faced an 18- and 30-year prison term for a 1982 conviction involvement the shooting and attempted abduction of an associate of reputed organized crime figure Harry "The Hunchback" Riccobene. Riccobene is said to be allied with the Pagans' distribution of speed.

DeGregorio, who is under the federal witness protection program, has reportedly been giving extensive evidence in a federal investigation of links between the Pagans and organized crime figures.

Dennis would not comment on DeGregorio's role in the grand-jury investigation that led to the indictments of his former associates. Nor would he comment on any investigation of Pagan-mob ties, other than to say, "We will expect there to be some evidence relating to some members of LCN [La Cosa Nostra]. We'll have to wait until the case is tried until you learn about the evidence."

[Press Release]

Edward S. G. Dennis, Jr., United States Attorney for the Eastern District of Pennsylvania, John Wilder, Special Agent in Charge of the Drug Enforcement Administration's Philadelphia Office, and John L. Hogan, Special Agent in Charge of the Federal Bureau of Investigation's Philadelphia Office, jointly announced today that on July 18, 1984, a Federal Grand Jury sitting in Philadelphia returned two Indictments charging 22 members and associates of the Pagan Motorcycle Club ("PMC") with violations of the Racketeer Influenced and Corrupt Organizations laws ("RICO"), 18 U.S.C. §§ 1951 *et seq.* Five of the defendants are also charged with engaging in a continuing criminal enterprise in violation of 21 U.S.C. § 848, also known as the "Drug Kingpin Statute." The indictments also include additional charges against many of the defendants for numerous substantive violations of federal drugs laws. Included among the 22 defendants are 11 members of the Mother Club Chapter, or governing body, of the PMC, including the National President, National Vice-President, National Sergeant-at-Arms and National Treasurer of the PMC.

Both indictments charge that the defendants conspired to conduct and participate, directly and indirectly, in the conduct of the affairs of the PMC through a pattern of racketeering activity, primarily including acts in violation of the federal drug laws. The indictments further allege that the overall purpose of the conspiracy was to distribute and manufacture controlled substances, principally methamphetamine and phencyclidine, and to use the structure and organization of the PMC to organize, facilitate and control the manufacture and distribution of controlled substances both within the PMC and outside of it. Both indictments also allege that in order to accomplish the purposes of the conspiracy, the defendants and other co-conspirators used force, violence, and threats of force and violence (1) to protect sources of supply of controlled substances to the PMC, (2) to control or eliminate competition in the manufacture and distribution of controlled substances, both within the PMC and outside of it, and (3) to enforce discipline among the members of the PMC and generally to create a climate of fear, both within the PMC and outside of it, which enhanced and facilitated the ability of the defendants and other PMC members and associates to organize and control drug related activity. The indictments allege that from 1975 through October, 1983, acts in furtherance of the conspiracy took place in, among others, the states of Pennsylvania, New York, New Jersey, Delaware, Maryland, Virginia, West Virginia and North Carolina.

The defendants named in the indictments, their age, their addresses, their positions

within the PMC, the charges against them and the maximum prison terms and fines that could be imposed are listed below:

UNITED STATES V. FERRY, ET AL.

1. Paul Ferry, a/k/a "Ooch", age 45, 921 Montauk Avenue, Islip Terrace, New York.

Position: National President (President of Mother Club).

Charges: RICO conspiracy, 1 count; RICO, 1 count; continuing criminal enterprise, 1 count; possession with intent to distribute, 4 counts; attempt to distribute or possess with intent to distribute, 2 counts.

Maximum: Life imprisonment, without parole, and $150,000 in fines.

2. Donald Trott, a/k/a "Gypsy", age 49, current address unknown.

Position: National Vice-President (Vice-President of Mother Club).

Charges: RICO conspiracy, 1 count; RICO, 1 count; possession with intent to distribute, 3 counts; manufacture, 1 count.

Maximum: Imprisonment for 60 years and $110,000 in fines.

3. Ronald Cimorose, a/k/a "Angel", age 40, State Correctional Institution, Huntingdon, Pennsylvania.

Position: Mother Club Chapter.

Charges: RICO conspiracy, 1 count; RICO, 1 count; continuing criminal enterprise, 1 count; distribution and possession with intent to distribute, 6 counts.

Maximum: Life imprisonment, without parole, and $150,000 in fines.

4. Anthony Mengenie, a/k/a "Maingy", age 32, State Correctional Institution, Dallas, Pennsylvania.

Position: Mother Club Chapter.

Charges: RICO conspiracy, 1 count; RICO, 1 count; continuing criminal enterprise, 1 count; possession with intent to distribute and manufacture, 9 counts.

Maximum: Life imprisonment, without parole, and $150,000 in fines.

5. Joseph Zappulla, a/k/a "Limey", age 37, 118 Harper Avenue, Irvington, New Jersey.

Position: Mother Club Chapter.

Charges: RICO conspiracy, 1 count; RICO 1 count.

Maximum: Imprisonment for 40 years and $50,000 in fines.

6. Joseph Ventura, a/k/a "Abraxus", age 40, RD 3, Box 558 (Rt. 113), Milford, Delaware.

Position: Mother Club Chapter.

Charges: RICO conspiracy, 1 count; RICO 1 count; possession with intent to distribute, 2 counts.

Maximum: Imprisonment for 50 years and $80,000 in fines.

7. Robert Baruti, a/k/a "Benny", a/k/a "Barracuda", age 39, 903 Grant Avenue, Scullville, New Jersey.

Position: Mother Club Chapter.

Charges: RICO conspiracy, 1 count; RICO 1 count; interstate travel in aid of racketeering, 1 count; distribution, 2 counts; unlawful use of telephone, 1 count.

8. Walter Jozwiak, a/k/a "Buckets", age 45, Federal Correctional Institution, Raybrook, New York.

Position: Former President, Atlantic County, NJ, Chapter.

Charges: RICO conspiracy, 1 count; RICO, 1 count; distribution and possession with intent to distribute, 3 counts.

Maximum: Imprisonment for 55 years and $95,000 in fines.

9. John Kachbalian, a/k/a "Egyptian", age 22, 2017 Fitzwater Street, Philadelphia, Pennsylvania.

Position: Philadelphia, PA. Chapter.

Charge: RICO conspiracy, 1 count; RICO, 1 count; possession with intent to distribute, 2 counts; unlawful use of a telephone 1 count.

Maximum: Imprisonment for 54 years and $110,000 in fines.

10. Francis Copes, a/k/a "Cheese", age 37, 1725 South Fourth Street, Philadelphia, Pennsylvania.

Position: Sergeant-at-Arms, Philadelphia, PA, Chapter.

Charge: RICO conspiracy, 1 count; RICO, 1 count.

Maximum: Imprisonment for 40 years and $50,000 in fines.

11. Carmine Ferrendi, age 28, 815 Greenlawn Avenue, Islip, New York.

Position: Member Suffolk County, NY, Chapter.

Charge: RICO conspiracy, 1 count; RICO, 1 count; possession with intent to distribute, 1 count; attempt to possess with intent to distribute, 2 counts.

Maximum: Imprisonment for 55 years and $95,000 in fines.

12. Rocco Kovatto, a/k/a "Rock 'n Roll", age 37, 119 Boundbook Court, Turnersville, New Jersey.

Position: Associate of the PMC.

Charge: RICO conspiracy, 1 count; RICO, 1 count; Manufacture, 1 count.

Maximum: Imprisonment for 45 years and $65,000 in fines.

UNITED STATES V. GRAYSON ET AL

1. Michael Grayson, a/k/a "White Bear", age 39, Federal Correctional Institution, Allenwood, Pennsylvania.

Position: Mother Club Chapter.

Charges: RICO conspiracy, 1 count; RICO, 1 count; continuing criminal enterprise, 1 count; possession with intent to distribute, 2 counts; attempt to possess with intent to distribute, 2 counts.

Maximum: Life imprisonment, without parole, and $150,000 in fines.

2. Charles McKnight, a/k/a "McNut", age 43, 1069 West Ashland Avenue, Glenolden, Pennsylvania.

Position: Mother Club Chapter.

Charge: RICO conspiracy, 1 count; RICO, 1 count; continuing criminal enterprise, 1 count; distribution and possession with intent to distribute, 7 counts; manufacture, 4 counts; possession of piperidine with intent to manufacture, 1 count.

Maximum: Life Imprisonment, without parole, and $150,000 in fines.

3. Donald Robinson, a/k/a "Dino," age 36, 2129 Bridgewater Road, Aston Township, Pennsylvania.

Position: National Treasurer (Treasurer of Mother Club).

Charges: RICO conspiracy, 1 count; RICO, 1 count; attempt to possess with intent to distribute, 3 counts.

Maximum: Imprisonment for 55 years and $95,000 in fines.

4. Richard Richter, a/k/a "Cheyanne," age 39, current address unknown.

Position: National Sergeant-at-Arms (Sergeant-at-Arms of Mother Club).

Charges: RICO conspiracy, 1 count; RICO, 1 count; possession with intent to distribute, 4 counts.

Maximum: Imprisonment for 60 years and $110,000 in fines.

5. Kenneth Weaver, a/k/a "Shadow," age 43, 117 West Devonshire Avenue, Linwood, New Jersey.

Position: President, Atlantic County, NJ, Chapter.

Charges: RICO conspiracy, 1 count.

Maximum: Imprisonment for 20 years and $25,000 in fines.

6. Thomas McKnight, age 42, 998 Shavertown Road, Boothwyn, Pennsylvania.

Position: Associate of the PMC.

Charges: RICO conspiracy, 1 count; RICO, 1 count; possession with intent to distribute, 3 counts.

Maximum: Imprisonment for 55 years and $95,000 in fines.

7. Michael Lawless, a/k/a "Caveman," age 26, 6402 Buist Avenue, Philadelphia, Pennsylvania.

Position: Member of Philadelphia, PA, Chapter.

Charges: RICO conspiracy, 1 count; RICO, 1 count; manufacture, 1 count; possession of piperidine with intent to manufacture phencyclidine, 1 count.

Maximum: Imprisonment for 50 years and $80,000 in fines.

8. Michael Giordano, a/k/a "Bugsy," age 32, 2738 Cantrell Street, Philadelphia, Pennsylvania.

Position: Member of the PMC.

Charges: RICO, conspiracy, 1 count; RICO, 1 count, attempt to manufacture, 1 count; distribution and possession with intent to distribute, 6 counts.

Maximum: Imprisonment for 75 years and $155,000 in fines.

9. Charles Moore, a/k/a "Uncle Charlie," 2904 C Street, Philadelphia, Pennsylvania.

Position: Member of the PMC.

Charges: RICO conspiracy, 1 count; RICO, 1 count; possession of piperidine with intent to manufacture phencyclidine, 1 count.

Maximum: Imprisonment for 45 years and $65,000 in fines.

10. John Gavis, a/k/a "Wacker John", age 39, address unknown.

Position: Member of the PMC.

Charges: RICO conspiracy, 1 count; RICO, 1 count; manufacture, possession of piperidine with intent to manufacture phencyclidine, 1 count.

Maximum: Imprisonment for 55 years and $95,000 in fines.

These indictments were developed by the Organized Crime Drug Enforcement Task Force of the Mid-Atlantic Region, one of 12 such Task Forces created by President Reagan and Attorney General William French Smith to combat the involvement of organized crime in drug trafficking, and are the result of an intensive two-year probe into the illegal drug manufacturing and drug distribution activities of members and associates of the PMC. This investigation, coordinated by the Drug Enforcement Administration, the Federal Bureau of Investigation and the United States Attorney's Office in Philadelphia, has also relied on the substantial cooperation of federal, state and local law enforcement agencies throughout the East Coast, including the Bureau of Alcohol, Tobacco and Firearms, the Pennsylvania State Police, the New Jersey State Police, the Maryland State Police, the Delaware County District Attorney's Office, the Suffolk County, New York District Attorney's Office, the Chester County District Attorney's Office, the Philadelphia Police Department, the New Castle County, Delaware Police Department, and the Egg Harbor Township, New Jersey, Police Department.

This case was presented to the Grand Jury and will be prosecuted by Terri A. Marinari, Chief, President's Drug Task Force, and Assistant United States Attorney Thomas H. Lee, II.

Prior to their indictments, the two year investigation has resulted in the arrests of 49 defendants, seizure of four clandestine

PCP laboratories and confiscation of over ½ million dollars in assets.●

THE HELSINKI ACCORD AND SOVIET JEWS

● Mr. D'AMATO. Mr. President, today, August 1, 1984, marks the ninth anniversary of the signing of the 1975 Helsinki accord. This international agreement, endorsed by the Soviet Union, guarantees certain fundamental human rights to all peoples in the Soviet Union. Under the Helsinki accord, the Soviet Union is obligated to respect the freedom of thought, conscience, religion and belief of all human beings. By signing this agreement, the Soviet Union agreed to "promote and encourage the effective exercise of civil, political, economic, social, cultural and other rights and freedoms, all of which derive from the inherent dignity of the human person and are essential for his free and full development."

The U.S.S.R. also agreed to "deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family." Yet, the Soviet Union has flagrantly violated every one of these provisions.

As a member of the Commission on Security and Cooperation in Europe which monitors adherence to the Helsinki pledges, I am deeply disturbed by the continuing blatant suppression of basic human rights in the Soviet Union and throughout the world. Every day over 2½ million Soviet Jews are denied their fundamental rights guaranteed by the Helsinki accord. They are not allowed to openly practice their religious beliefs: they are not allowed to possess Bibles, Sabbath candles, yarmulkes or other means neccesary to the practice of their faith. Parents are not allowed to teach and pass on to their children their religious and cultural heritage. The Soviet Union suppresses the study of Hebrew language and Jewish culture, confiscates Hebrew books, breaks up classes and arrests Hebrew teachers. Soviet Jews have no seminary to train prospective clergy, no right to publish or to organize and no opportunity to maintain ties with other Jews abroad. Young Jews are denied admission to public universities because of their faith; others are denied jobs and stripped of their academic degrees. All Jews in the Soviet Union are victims of the escalating anti-Semitic campaign by the Soviet Government which incorporates virulent propaganda into many areas of official and public media.

Most disturbing of all, practically every Jew who requests permission to emigrate to Israel or to the United States is refused a visa. Those who apply for visas risk losing their jobs, their social status, their civil rights, their communication with the outside world and their hopes of living in a world free of persecution.

On this ninth anniversary of the signing of the Helsinki Final Act, I reiterate my personal concern over the plight of Soviet Jews and the merciless restriction of their emigration. In spite of the commitments it undertook in Helsinki, the Soviet Union has now closed and almost locked the gates of Jewish emigration. The number of Soviet Jews permitted exit visas has plummeted from a peak of more than 51,000 in 1979 to a projected total of fewer than 1,000 in 1984. This current Soviet policy leaves thousands of Jews trapped in a repressive country, outcasts in their own society and unable to enjoy basic human rights.

Many refuseniks first applied for exit visas before the signing of the Helsinki accord and they are still waiting today for permission to emigrate. The Greater New York Conference on Soviet Jewry this week issued a list of 166 such families, many of whom have been waiting up to 15 years. These people are being denied the most basic human rights and many of them are serving jail or prison terms. In a recent development, Sakhar Zunshain of Riga, was tried and sentenced in July for pursuing a legal course of action. He was jailed because he made formal, legal appeals to the authorities for permission to emigrate to Israel and then protested the refusal.

Iosif Begun, Ida Nudel, Anatoly Shcharansky, the Brailovsky family and the Yakir family are names of Jewish activists and refuseniks familiar to most of us. But these names only touch the surface, for the list of other refusenik families continue on and on and on. When the Helsinki accord was signed by the Soviet Government, hope for a more humane future was instilled in the citizens of the Soviet Union. We must persevere in our efforts to ensure that those hopes are realized. The Soviet Union must be pressured to recognize its international commitments and guarantee the human rights so vital to the lives of its Jewish people and, indeed, of all people.●

CAPE VERDE: A FORCE FOR PEACE

● Mr. PELL. Mr. President, I would like to draw the attention of my colleagues to an informative and interesting article entitled "Cape Verde: From Way Station to Diplomatic Crossroads," which appeared recently in Africa Notes published by the Georgetown University Center for Strategic and International Studies. This article, written by Alex Rondos, traces Cape Verde's development from Portuguese colony through independence to mediator in the southern African conflict.

Under the capable leadership of President Aristedes Pereira, Cape Verde has facilitated direct communication between the leaders of Angola, South Africa, and the United States on the Namibian question and has encouraged both Angola and Mozambique to reach accommodations with South Africa in order to end the warfare in southern Africa. Although one of the smallest states in Africa and geographically removed from the area of conflict, Cape Verde, as Rondos points out, has been an effective intermediary and force for peace because of its close cultural and linguistic ties to Mozambique and Angola, also former Portuguese colonies, and its longstanding friendship with the United States.

The United States and Cape Verde have enjoyed good relations since the early 19th century, when Cape Verdeans were recruited to serve as seamen on American whaling ships. Over the years, thousands of Cape Verdeans have come to the United States and settled primarily in the New England area. They have made invaluable cultural and economic contributions to our country and, by sending money to relatives and friends on Cape Verde, have played a vital role in that island nation's difficult but determined effort to achieve economic development.

Today, there are some 300,000 Americans of Cape Verdean descent, and I am proud to say that more than 30,000 of them live in my home State of Rhode Island.

The United States and Cape Verde will continue to be drawn together by family ties and by a common commitment to peace not only in southern Africa but in the world as a whole. For those unfamiliar with Cape Verde's contribution to the quest for peace in Africa, I highly recommend Mr. Rondos' article. Mr. President, I ask that the full text of this article be printed in the RECORD.

The article follows:

[From Africa Notes, June 20, 1984]

CAPE VERDE: FROM WAY STATION TO DIPLOMATIC CROSSROADS

(By Alex Rondos)

Cape Verde, one of Africa's most minuscule ministates, emerged from obscurity beginning in the late 1970s to provide the venue for some of the earliest and most delicate talks that laid the groundwork for the developing detente in southern Africa (see "Destabilization and Dialogue: South Africa's Emergence as a Regional Superpower" by John de St. Jorre in CSIS Africa Notes no. 26, April 17, 1984). How did this tiny nation of 10 islands and 5 islets (1,557 square miles in all, with a population of some 300,000), located halfway up the western coast of Africa and some 400 miles offshore, become so directly involved in the dialogue between South Africa and its neighbors?

Some of the answers can be found in the country's history and economic plight. But the Cape Verde story also illustrates an

aspect of contemporary Africa that we tend to ignore or underrate—the capacity of Africans for autonomous diplomatic initiatives. Observers who sweepingly ascribe the current "detente" trends in southern Africa to Western shuttle diplomacy and/or to abject submission by South Africa's neighbors to military coercion do not take sufficient account of the hard, strategic thinking that has been going on within African councils since the late 1970s. The initiatives taken by the Africans themselves to encourage and facilitate dialogue between the protagonists in southern Africa reflect a high degree of consensus on a key strategic point—that first priority must be given to containing and dealing with the divisive issues of the region in regional terms, which means keeping superpower influence and involvement from escalating into military confrontation.

THE LUSOPHONE CONNECTION

In addition to a shared language, the five African states colonized by Portugal (Angola, Cape Verde, Guinea-Bissau [formerly Portuguese Guinea], Mozambique, and São Tomé and Principe) have a common bond in that they are among the relatively few African countries in which armed struggle was required to achieve independence. Cape Verde's President Aristides Maria Pereira shares with Mozambique's President Samora Machel a firsthand appreciation of the role (and the costs) of violence as a tool of political change.

The Cape Verde archipelago was uninhabited until its discovery by the Portuguese in 1456. With the beginning of colonization in 1462, the settlers brought African slaves to the islands, and most of the country's present inhabitants are the racially mixed descendants of these two groups. When Portugal's overseas territories were officially incorporated into the Portuguese state in 1951, Cape Verde was considered the most "assimilated" of these holdings, and Verdeans were favored over other Africans in employment as (minor) civil servants in the mainland colonies. Nevertheless, many Verdeans resented Portugal's neglect of the islands' economic development, and found common cause with the Partido Africano da Independencia da Guiné e Cabo Verde (PAIGC) formed by Amilcar Cabral in Portuguese Guinea in 1956. Indeed, one Verdean—President-to-be Pereira—was a cofounder of the PAIGC with responsibility for the party's security and intelligence operations.

Born in 1922 of a Verdean family, Pereira initially worked in the Bissau post office and was a senior postal clerk when he turned to liberation politics. While lacking Cabral's academic credentials and skills as a revolutionary theoretician, Pereira proved to be a talented administrator and problem-solver. On September 19, 1959 six weeks after 50 Africans were killed and 180 wounded when police fired on striking workers at Pidgiguiti, the PAIGC executive decided to proclaim an all-out independence struggle "by all possible means, including war." In 1960, Pereira set up an exile headquarters for the PAIGC in Conakry, Guinea.

A new phase of generalized armed rebellion in Portuguese Africa began in March 1961 when an insurrection broke out across a wide area of northern Angola. The PAIGC entered the fighting in earnest in 1963, and Mazambique in 1964. The islands of Cape Verde, kept under relatively tight control by Portuguese police and military, were used as a place of confinement for political prisoners from the other African possessions and from the metropole.

In January 1973, Cabral was assassinated in Conakry, apparently by a Portuguese-infiltrated PAIGC splinter group. Pereira was seized by the assassins while working late at his PAIGC office, and put aboard a boat bound for Portuguese Guinea. The vessel was stopped by a naval patrol of the Conakry government before he could be handed over to the Portuguese, and he subsequently succeeded Cabral as PAIGC secretary-general.

On July 5, 1975 (in the year following the military coup in Potugal that effectively ended the colonial era), Cape Verde achieved independence under a PAIGC regime headed by Pereira as president. It was widely assumed that, in accordance with the party's longstanding policy, the next step would be federation with the PAIGC government of Guinea-Bissau. Toward that end, a Council of Unity was formed on January 12, 1977 comprising the heads of the legislatures of the two countries and six colleagues from each side. But there were already signs, as Pereira acknowledged, that "the road to unity cannot be an easy one."

Beginning with a meeting in June 1979 in the Angolan capital of Luanda, the leaders of the five lusophone states have gathered almost every year (March 1980, September 1982, December 1983, and April 1984) to discuss political and economic issues of common interest and concern, and various forms of mutual assistance.

REJECTION BY GUINEA-BISSAU

On November 14, 1980, a military coup in Guinea-Bissau led by Africans of mainland descent displaced a government whose leader (Luiz de Almeida Cabral, brother of the slain PAIGC founder) and predominant element were mesticos (racially mixed) of Verdean origin. While other issues were also involved, the coup came shortly after Assembléia Nacional Popular had approved a new constitution decreeing that resident Verdeans would henceforth enjoy the same rights and be subject to the same duties as citizens of Guinea-Bissau and be "so considered." This clause was perceived by mainland blacks as confirmation of an intention to consolidate more power in the hands of Verdeans of mixed descent with personal loyalty to Cabral.

The new government of Guinea-Bissau affirmed its adherence to the PAIGC's domestic policies, but opposed the idea of close ties with Cape Verde. These positions were confirmed at a November 1981 congress of the ruling party (which ironically maintained its original name). Meanwhile, Cape Verde's leadership regretfully acknowledged the reality that the idea of close ties with Guinea-Bissau was dead for the foreseeable future by changing the name of the Verdean ruling party to the Partido Africano da Indepêndencia de Cabo Verde (PAICV); a constitutional amendment to this effect was passed in February 1981.

Relations between the two countries improved after the January 1982 release of Luiz Cabral, and diplomatic ties have been resumed. The mediation of Mozambique's President Machel played a key role in the rapprochement.

THE ECONOMY: PROBLEMS WITHOUT END

With a 1981 per capita gross national product of $340, Cape Verde is categorized by the World Bank as a low-income country. This is an understatement. The islands suffered 10 disastrous droughts between 1748 and 1948, each resulting in the death from famine of between 10 and 40 percent of the population. The lastest drought began in 1968 and is still going on. Although mass starvation has been averted by Western bilateral and multilateral food aid, population pressure on the less-arid islands has impelled many islanders over the years to migrate to a variety of destinations. Some 80,000 are in Angola—an incentive for Verdean diplomatic efforts to promote the kind of regional changes in southern Africa that might lead to an improvement in Angola's economic health. Others have made their way to Guinea-Bissau, São, Tomé and Principé, the United States (there are some 300,000 U.S. citizens of Verdean origin, most of them living in the New England states), and Portugal. Remittances from these emigrants and former nationals are an important source of foreign exchange for Cape Verde, reportedly covering about 40 percent of the trade deficit in 1979.

Although a third of Cape Verde's citizenry work in the agricultural sector, some 90 percent of the food consumed comes from abroad. In 1981, export earnings covered only 4.3 percent of import costs. Portugal is the main trading partner, followed by the Netherlands. International assistance amounted to $140 million between 1975 and 1980, but the government remains too impoverished to implement its plans for economic development infrastructure.

The most promising economic resource is Cape Verde's position on Atlantic sea and air routes. Although the international airport on Sal Island is under-utilized, it is a major source of employment and hard currency. A decision that was politically difficult but economically pragmatic was Cape Verde's agreement to allow South African Airways continued landing and refueling rights after independence. SAA accounts for some 90 percent of the airport's traffic, and the fact that Cape Verde is readily accessible to South Africans is surely one of the reasons for its slection as a meeting place for negotiations on southern Africa. In an interview published in the November-December 1983 issue of Africa Report, Pereira dealt straightforwardly with a question on why Cape Verde has continued to allow SAA to land:

"This is a problem that goes back to the beginning of our independence, because at that time decisions had already been made to boycott South African planes and ships. We analyzed the situation and found that we should not suspend the landing rights of South African planes. After independence, we realized that in our case it was very difficult to go ahead with sanctions, because we are islands and our communications with the exterior are very difficult. Therefore, we needed the airport. Because we didn't have financial resources to maintain the airport, it had to maintain itself by providing service. Just two planes—TAP of Portugal and South African Airways—utilized the airport at that time. We tried to attract other airlines, but this was not possible. Our choices were to boycott South African Airways and to have to close the airport, or to keep the airport open. Anyone in our situation would choose the second.

"We have had the opportunity to listen to our friends from the ANC [African National Congress], and they have understood our position. Therefore, within our government, we decided to continue to accept these planes, and it is something we have never hidden. We declared this publicly at the level of the OAU, in spite of their decision to boycott. An OAU mission visited us to verify the conditions under which we au-

thorized South African planes to land, and a subsequent OAU decision incorporated the Cape Verde government's decision, meaning that the OAU found that in our specific case it is normal that we not boycott South African planes. Given this OAU decision, and the ANC's agreement, we feel that we have taken all interests into account."

DIPLOMATIC INITIATIVES, 1979-84

On January 25, 1979, the government of Cape Verde hosted a secret meeting between representatives of the Angolan and South African governments. In the ensuing five years, President Pereira has made trips to most of the Front Line states of southern Africa and to Washington, and has hosted a range of key Front Line, South African, and American personalities and delegations. Special importance is attached to his role as an intermediary between the United States and Angola.

In addition to the reasons previously noted that have enabled Cape Verde to play a role in the distant southern African crisis (South African access to the Sal Island airport, Capt Verde's linguistic and cultural ties with the two lusophone Front Line states, and Pereira's zest for the role of mediator), there is a special political affinity between Cape Verde and Angola that goes back to the pre-independence relationship between Pereira and the late Agostinho Neto, Angola's first president. It was that relationship which made possible the initial 1979 Angolan-South African meeting. The large number of Americans of Verdean origin has also been a factor in the development of U.S.-Verdean diplomatic relationships in the years since independence.

Finally, the direct experience of the Verdean leadership with the waging and ultimate resolution of a liberation struggle has left them with a perspective oh the southern African situation that meashes with that of President Samora Machel of Mozambique. Quoting Machel in a recent interview with Jeune Afrique ("One chooses one's friends but not one's neighbors"), Pereira went on: "Neither Mozambique nor Angola will be able to liberate our brothers from a universally condemned regime . . . And the fact that the two countries are plunged into a state of permanent war is of no help at all . . ." President Pereira does not mask his concern that rejection of South African peace overtures by Mozambique and Angola would not help blacks within South Africa in any substantial way, and might actually make their situation worse by bringing into being a permanent confrontation like that between Israel and the Arab states—one which would give Pretoria an excuse to adopt a crisis-management posture that would involve increased repression of South Africa's blacks. There is concern as well that continued fighting would increase the risk of further superpower involvement.

Cape Verde also shares Machel's doubts that the necessary conditions for a classical guerrilla war of liberation yet exist in South Africa. In the absence of self-sustaining bases of political support within the Republic's borders, raids launched from outside South Africa can accomplish little enduring significance. Finally, a distinction is drawn between the struggle of the Portuguese colonies against foreign domination and the situation in South Africa, where the white population has no place to go and will have to be accommodated in whatever power-sharing arrangement ultimately emerges. For all of these reasons, the Verdeans have come to believe that an end to warfare in the region and an emphasis on peaceful struggle within the Republic is most likely to promote movement toward a more just South Africa.

While Verdean emissaries have travelled frequently and extensively during the last two years, it is not easy to pin down their precise movements. It does appear, however, that the third lusophone summit, held in the Verdean capital of Praia on September 21-22, 1982, served as a catalyst for the negotiations that took place between Angola and South Africa on Verdean soil later that year. Some of the other dates to mark down:

On November 10 and 23, 1982, U.S. Vice-President George Bush stopped off at Praia at the start and end of a two-week tour of Africa. At both of these meetings the possibility of a summit between Angolan and South African officials was discussed.

On December 7, 1982, Angolans and South Africans met in Cape Verde for the first time since 1979. The Angolan delegation was led by Minister of Interior Manuel Alexandre Rodrigues (Kito) and the South African delegation by Foreign Minister Roelof ("Pik") Botha and General Magnus A. de M. Malan, minister of defense. The two sides reportedly did not go far beyond airing their respective positions, and some of the debate may have centered on the question of South African support for the UNITA guerrillas in Angola; if the Cubans were to withdraw from Angola, what guarantee would Angola's MPLA regime have that Pretoria would not continue to back UNITA?

The prospects for a second high-level meeting faded as a consequence of a step-up in South African military activity against SWAPO bases in Angola shortly after the December 1982 talks, but a low-level follow-up meeting took place in Cape Verde on February 23, 1983.

The second half of 1983 was marked by another round of intense diplomacy. Pereira visited Mozambique in early September, where President Machel publicly praised him for his role in facilitating talks between Angola and South Africa. In early October, Pereira left for what had originally been announced as a private visit to the United States but turned out to be a fairly high-profile event that included a meeting with President Reagan.

The next key development was the December 18-20, 1983 lusophone summit in Bissau. Participants in the preparations for the meeting have confirmed that it was significant in several ways: the five governments agreed to back fully any negotiations and agreements by Angola and Mozambique with South Africa (by this point Machel had clearly decided on the road to Nkomati); they agreed to proceed in tandem; and, according to several sources, they also began outlining a "revision in the strategy" with regard to dealings with South Africa.

Since the Bissau meeting, the lusophone states have taken a lead role in the effort to build a consensus among OAU members. On April 27-28, a lusophone summit in Maputo reinforced the support for the peace moves. It was followed by an April 29 Front Line summit in Arusha, Tanzania, which reaffirmed its participants' "total and unqualified commitment to the liberation struggles" in South Africa and Namibia, but made no promise of further practical support to the ANC and SWAPO, other than catering for refugees.●

NATIONAL HOSIERY WEEK

● Mr. HELMS. Mr. President, the week of August 12-18 marks the 14th annual observance of National Hosiery Week. I am proud to pay tribute once again to this important industry, which has played such a vital role in our free enterprise system.

In many communities, hosiery manufacturers are major employers. They provide jobs and produce revenue for operating State and local governments. More than anything, though, they provide good quality of life for the people in the communities where they are located, and quality products.

Mr. President, the average hosiery company is a small- or medium-sized business. Most are family owned, and located in small towns and cities throughout the country. Yet they employ 65,000 workers in 415 plants and have total retail sales of more than $6 billion.

Mr. President, this week is especially significant to me because more hosiery mills are located in North Carolina than in any other State. I am very proud of that. Incidentally, the average hosiery mill produces 9 million pairs a year and employs 158 workers.

During National Hosiery Week, retailers across the country will join the celebration as stores display all types of hosiery for the entire family. Mr. President, the hosiery industry is a good example of how well the free enterprise system works, and what it means to the people of this country.

North Carolina is proud of its distinctive leadership in the hosiery industry, and we are grateful for the fine quality of life this industry has provided for so many people.

On behalf of my fellow North Carolinians, I extend my sincere thanks and congratulations to the hosiery industry for the outstanding job it is doing for the people of our State and Nation.●

FLOW OF SUBSIDIZED PRODUCTS INTO THE UNITED STATES

● Mr. QUAYLE. Mr. President, one of the least emphasized issues facing this Nation is our response to the flow of subsidized products into our country. As a nation, we have a very casual attitude toward free trade. Today's modern vocabulary speaks not just of free trade but of fair free trade.

Fair free trade is a bit like apple pie, motherhood, and the American flag. However, when it comes to enforcing fair free trade, our actions have simply not met our rhetoric. One of the industries most affected by subsidized products is our steel industry.

Having a viable steel industry is not only important to my State of Indiana, but it is important to our Nation and its national security as well. Over the past years, I have worked with the steel industry—both management and labor—to obtain more productivity,

capital investment, and modernization of our steel mills. The 1981 Economic Recovery Tax Act was most helpful in this respect, providing the long-needed incentives to modernize. Although great strides have been made, and our steel industry is more productive, efficient, and modernized today than it was 5 years ago, there still looms before us the problem of subsidized steel being dumped into this country.

I have always maintained that the most effective way to deal with nations dumping steel, or any other product, is through direct, reciprocal actions. As a matter of policy, we should vigorously prohibit subsidized steel or other subsidized products from entering our borders.

There are basically three ways to counter steel imports. First, we could have current trade laws vigorously enforced. Our antidumping laws could be enforced through tariffs and countervailing duties. We could further promote fair free trade through strict adherence to the GATT agreement.

Second, we could achieve voluntary arrangements and agreements with particular countries that are dumping products into this Nation. We have, for example, a voluntary steel agreement with Europe that was executed in 1982. Thus far, I believe it has worked.

Finally, we can impose quotas as a means of retaliation. I have been in steadfast agreement with the steel industry representatives that quotas should be our last resort, but, unfortunately, we are now at that point of last resort. The trade laws have not been enforced. We do not have any import-restricting agreements with such violators as Brazil, Argentina, and Korea. We have no alternative but to insist on quotas for our remedy.

I am, therefore, cosponsoring the Fair Trade in Steel Act of 1984, S. 2380. As a strong proponent and friend of the steel industry, I feel we have simply run out of alternatives.

As every Senator should know, the U.S. steel industry is in trouble. Prices for steel products, according to industry data, have dropped since 1981 because of the unfair trade facing the industry. The industry has lost over $4.5 billion during the last 2 years alone. Steel imports have risen precipitously. Capturing an average of 9.3 percent of the U.S. market during the 1960's, imports rose to a level of 15.3 percent in the 1970's. They then swelled to 20.5 percent of the domestic market in 1983, and they surged to 26 percent this past January and February. This has resulted in a sharp drop in employment in the steel industry, from a level of 570,000 during the peak production year of 1979 to only 346,000 in 1983. Employment in Indiana has dropped from an annual average of just over 68,000 in 1979 to 49,700 in 1983.

We also know the steel industry is presently undergoing an extensive modernization process. This modernization effort is absolutely essential if the steel industry is to survive. During this modernization process, however, the industry is being forced to face increasing imports of steel from foreign producers, much of this steel being subsidized by the foreign producers' governments.

We simply cannot ignore this practice which takes unfair advantage of our economic principles and which places our steel industry at a disadvantage. This basic unfairness was recognized by the International Trade Commission [ITC] on June 12, 1984, when it ruled—in response to a section 201 petition under the 1974 Trade Act—that the U.S. steel industry was indeed being injured by these steel imports. The ITC's recommended solution, however, is simply not adequate to address the very real, very urgent, and very unfair problems which face this industry.

I hope my cosponsorship of the Fair Trade in Steel Act of 1984 will serve as a strong signal to President Reagan that he should go beyond the ITC recommendations and call for limitations on the full range of subsidized steel imports. A subsidy by another name is simply unfair trade. Decisive and quick action is needed to achieve an effective solution to this painful situation.

While the focus of this bill, and of the ITC's recommendations, is on the grievous effect that subsidized steel imports are having on the U.S. steel industry, we must not forget that this is only one side of the coin. I support taking this decisive action against the importation of subsidized steel into the United States while the domestic steel industry is modernizing with the clear understanding that the industry must uphold its part of the bargain.

My support of the Fair Trade in Steel Act presumes the commitment by steel industry management and labor to significant increases in modernization investment by the industry and the continuation of the worker/management partnership of recent years that has resulted in very promising and encouraging increases in productivity and efficiency. The continuation of this partnership and productivity trend is essential to the industry's future health and competitive ability.

I believe that the President and the Congress have a responsibility to assist industries that are targets of unfair trade practices. However, in taking up S. 2380 or similar legislation, Congress must not be seen as heralding a new age of protectionism. We all must realize that protectionism does not and will not address the root cause of the problem. Fair free trade is still clearly the best way to make use of our resources and distribute the world's wealth. In cosponsoring S. 2380, I am not advocating adoption of a new national policy, but joining in an act of self-defense—a measure of last resort in indicating to the President and the world that we need action and need action now.

In conclusion, I firmly feel that action must be taken to allow the steel industry the time and the financial means to undertake the essential and badly needed modernization. The American people cannot begrudge the steel industry the chance to do this. This industry must use this respite to continue to work to become more competitive, or the efforts and sacrifices will be in vain. Finally, and as a further step in this effort, I believe we in Congress and those in industry must call upon the appropriate committees of jurisdiction to look at our trade laws to see why these laws have so clearly failed to function as intended.●

TRIBUTE TO NEW JERSEY POW'S AND MIA'S

● Mr. LAUTENBERG. Mr. President, over 10 years ago this Nation witnessed the final withdrawal of American ground troops from Southeast Asia. For most families this was a time of joy and reunion. For 27 families in New Jersey, and thousands of others nationwide, it was a painful reminder that their sons had not yet come home. The families of our POW's and MIA's have worked tirelessly to locate these men. Their courage, sacrifice, and dedication has been an inspiration to all of us. We must make their cause our cause.

Americans disagreed on U.S. participation in the Vietnam war. However, despite these differences, all Americans speak in one voice in demanding that the governments of Southeast Asia account for our POW's and MIA's. We cannot rest in our efforts until we are completely satisfied that this has been done.

In the last 10 years the families of the POW's and MIA's have been the conscience of the Nation on this issue. They deserve our heartfelt thanks and support. On August 6, Senator BRADLEY and I, along with our colleagues in the New Jersey congressional delegation, will be honoring these families at a ceremony in Clifton, NJ. They will be presented with commemorative medals issued by Congress in recognition of their courage and dedication.

I ask that the names of New Jersey POW's and MIA's appear in the RECORD following my remarks. These men served courageously when their Nation called, and they and their families should be honored today.

The list follows:

POW'S AND MIA'S

NAVY

AX3 Eric John Schoderer, USN
LTJG Dennis Michael Ehrlich, USNR
CDR Donald Richard Hubbs, USN
LT Robert Franklin Barber, USN
LTJG Charles Brooks Pfaffman, USNR
CDR Carl Benjamin Austin, USN
LT John Richard McDonough, USNR

AIR FORCE

MAJ Phillip L. Mascari
SSGT Frederic T. Garside
SGT Larry W. Maysey
LT COL Henry P. Brauner
LT COL Joseph T. Kearns, Jr.
TSGT Donald K. Springsteadah
1LT Donald W. Bruch, Jr.
MAJ George J. Pollin
MAJ Eugene M. Pabst

ARMY

SGT Joseph D. Puggi
SP4 Walter E. Demsey, Jr.
1LT Thomas W. Knuckey
SSG Frank David Moorman
SFC Arthur E. Bader, Jr.
SSG Walter A. Cichon
SFC Robert F. Scherdin
CW3 Walter F. Wrobleski
CW3 Douglas Lee O'Niell

MARINES

MAJ James T. Egan, Jr.
LCPL Theothis Collins●

ENTERPRISE ZONES: TIME FOR THE FEDS TO BOLSTER STATE SUCCESS

● Mr. DOLE. Mr. President, while Congress has procrastinated on President Reagan's enterprise zone initiative to revitalize distressed areas, the States have moved boldly ahead and made great strides in targeted tax and regulatory relief to stimulate economic growth. While State enterprise zone programs vary considerably in their scope and the specific types of relief they offer, they share the goal of spurring development by removing artificial barriers imposed by government and drawing on the latent resources of the community and its people to spark renewal.

As the Wall Street Journal reported on July 31, "while the issue is debated in Washington, State-established enterprise zones are slowly breathing new life into distressed inner cities and small towns across the country. These islands of tax and regulatory advantage have sprung up in 16 of the 23 States enacting enterprise-zone legislation since 1981." States and localities are making enterprise zones work. But many of the States are proceeding in the expectation that Federal legislation will be passed, and that is where we have fallen down. Federal incentives will give enterprise zones the kind of boost that can give the inner cities and depressed rural areas their best chance in years to regenerate themselves.

Mr. President, the important thing about enterprise zones is that the plan uses simple incentives to bring to bear the full resources of the neighborhood, of the business community, of civic organizations, and of the people themselves to bring about economic renewal. The Senate has now passed Federal enterprise zone legislation twice, and the House has balked at giving the program a chance. This is a matter that transcends partisanship, and now that we are ready to try again on enterprise zones, I hope that the vital experiments now going on in the States will convince Members that now is the time to act.

Mr. President, I ask that the Wall Street Journal article of July 31 on State enterprise zones be included in the RECORD at this point.

The article follows:

STATES EXPAND ENTERPRISE ZONES DESPITE LACK OF FEDERAL INCENTIVES

(By Joann S. Lublin)

Despite President Reagan's renewed efforts, there seems to be little chance that Congress will enact his plan this year for federally supported business-enterprise zones.

But many states aren't waiting for Washington to act: Even without federal incentives, hundreds of communities are offering tax breaks to businesses to help revive depressed areas.

As one of his six legislative goals for the remainder of the year, the president wants Congress to enact his three-year-old plan for enterprise zones. But Mr. Reagan is facing an apparently immovable obstacle in the form of Democratic Rep. Dan Rostenkowski, chairman of the House Ways and Means Committee, who criticizes the Reagan proposal as a needless giveaway to business. The Treasury Department estimates the program would cost the government $3.4 billion in lost revenue in its first five years.

ISLANDS OF ADVANTAGE

Mr. Rostenkowski's opposition alone is probably enough to block the bill's passage, and the president is expected to respond in campaign speeches by rebuking Congress for its inaction. But while the issue is debated in Washington, state-established enterprise zones are slowly breathing new life into distressed inner cities and small towns across the country. These islands of tax and regulatory advantage have sprung up in 16 of the 23 states enacting enterprise-zone laws since 1981.

By year-end, businesses will have invested or committed nearly $2 billion in more than 300 communities' zones, generating or retaining about 60,000 jobs, estimates the Sabre Foundation, a nonprofit Washington think tank.

"I think the success has been more than you would have expected, especially when you consider the states don't have a lot to offer in the way of tax incentives," says Stuart Butler, a British economist who is a leading advocate of the zones.

Indeed, most states set up their program to take advantage of Mr. Reagan's proposal. The administration's plan would designate 75 zones over three years. Businesses operating in those zones would be exempted from all capital-gains taxes and 75% of corporate income taxes, and their employees would receive individual income-tax credits.

State and local tax breaks, however, are only about 20% as lucrative as the proposed federal tax advantages, the Sabre Foundation says. Thus, large companies have been reluctant to enter the zones. "What's in place are some goodies, but not enough," says Melvin Taylor, who is building an ice cream-making plant in a Baltimore enterprise zone.

But the lack of federal action isn't likely to cool states' enthusiasm for the programs. Five additional states are considering authorizing enterprise zones, and at least two are likely to pass bills soon. "Some of them are doing it because . . . otherwise they're at a competitive disadvantage" with states already promoting such programs, says Richard Cowden, who edits a newsletter on enterprise zones for the Sabre Foundation.

The amount of business investment in an enterprise zone often depends on the generosity of the tax incentives offered. Connecticut's breaks, for example, include temporary property-tax abatement, certain salestax exemptions, income-tax reductions and job-training reimbursement. Since fall 1982, businesses have invested or committed about $97 million to the state's six zones, mainly for commercial projects. About 6,000 jobs have been created or retained.

"We are flabbergasted at how much difference they (the incentives) have made in revitalizing areas," says Carol Gaetjen, manager of Connecticut's enterprise-zone program. In New London's zone, for instance, a $20 million office park is going up on 25 acres of waterfront land left vacant by slum clearance eight years ago. The acreage "was something sitting there waiting to happen, and the zone was the trigger," Mrs. Gaetjen says.

Tax savings for businesses in enterprise zones can be substantial. SFE Technologies of San Fernando, Calif., last month opened a $9.5 million, 100,000 square-foot electronics parts plant in a New Orleans zone. The expected saving of nearly $200,000 just from reduced sales taxes on equipment and construction materials influenced the choice of the location, a company official says.

By contrast, the major lure of Florida's enterprise-zone legislation—a credit on the state's already low corporate income taxes—is less appealing. "It's just not that toothy right now," concedes Tim Nugent, director of a redevelopment agency in Tampa's Tybor City, a historic, former cigar-making district that became an enterprise zone years ago.

Many city officials often find they must package tax incentives with regulatory favors and other inducements to persuade companies to expand, remodel or set up operations in the rundown areas. Among the extra aids: streamlined or "one-stop" shopping for building and other permits, public works improvements such as lighting and sewer repairs, and low-cost loans to small businesses.

Such packaging made a difference for Spiegel Inc., the Illinois mail-order catalog concern. It considered a Sun Belt relocation of an obsolete mail-center complex in Back of the Yards, a depressed Chicago manufacturing area that is now an enterprise zone. Instead, Spiegel will spend $20 million to modernize the 1,900 employee complex. The city's relaxation of certain building code requirements, along with state tax breaks and retraining aid, persuaded Spiegel to stay in Chicago, according to the company.

Some localities are also making extra efforts to alter the public view of an enterprise-zone neighborhood as a blighted slum, beset by crime and declining property values. They increase police patrols or enlist community groups and local merchants in neighborhood cleanup campaigns. The Illi-

nois law allows city-owned commercial property to be "shopsteaded"; a city can donate a building to a community group for activities such as a child-care center.

POOR IMAGE OFTEN PERSISTS

Nevertheless, a depressed area's poor image often persists even after revitalization begins. Physical improvements take time, and changing the community's perception takes even longer, says Gregory Dunn, project manager for the South Norwalk, Conn. enterprise zone.

The proliferation of new, small concerns in many enterprise zones presents another problem. Such companies tend to employ few workers or demand highly technical skills that local residents may lack. "Unfortunately, what (the zone) needs are some very labor-intensive businesses," says William Regan, who runs Teaching Computer Systems Inc., a five-person concern, in the Baltimore zone. He brought his staff with him when he moved from Columbia, Md., and doesn't expect to employ more than a few others.

The richer array of tax incentives offered by the pending federal legislation might attract a better mix of small and big businesses to enterprise zones. Mr. Taylor who is building the ice cream plant in Baltimore, says he expects eventually to employ 300 people, and reap more than $1.5 million in property and corporate income-tax breaks over three years. Yet a federal enterprise-zone program, Mr. Taylor insists, could "change the whole complexion of investment in this country.●

WILLIAM R. HOWARD LEADS PIEDMONT AIRLINES

● Mr. HELMS. Mr. President, yesterday William R. Howard, president and chief executive officer of Piedmont Airlines, addressed the luncheon meeting of the Washington Aero Club. Bill Howard is a remarkable citizen. Under his dynamic leadership, Piedmont Airlines has met the challenge of deregulation. For example, Mr. President, according to figures released earlier this week, Piedmont Airlines recorded during the second quarter of 1984 the largest operating profit in its 36-year history.

Bill Howard is an outstanding executive and a fine man. He has a great deal to say worth listening to regarding the state of the aviation industry today, and in particular about how Piedmont Airlines has prospered following deregulation.

I ask that the text of Mr. Howard's speech before the Washington Aero Club on July 31, 1984 be printed in the RECORD at the conclusion of my remarks.

The material follows:

ADDRESS OF WILLIAM R. HOWARD, PRESIDENT AND CHIEF EXECUTIVE OFFICER, PIEDMONT AIRLINES

Although from time to time I have had the privilege of attending a number of Aero Club meetings, this is my first opportunity to appear before you. I am honored at the opportunity to discuss our company with you, the membership of the oldest and most prestigious aviation club in the U.S.

During the next few minutes I am going to try to explain, by word and picture, where Piedmont has been, where it is, and where it is headed, under deregulation.

As I am sure some of you are aware, since deregulation Piedmont has, percentagewise, been the fastest growing of the conventional airlines. That growth has been based on strategies that have been somewhat unconventional—and yet have been reasonably successful. Let me show you what I mean by unconventional.

Before I do so, however, I should tell you that at 11:30 this morning, here at a press conference in this building, we announced service to two new cities. Effective November 1 Piedmont will commence service with three daily round trips between Evansville, Indiana and our Dayton hub, and on that same day we will commence service with two round trips between Rochester, NY, and our Baltimore hub. In both cases those cities receive a wide range of connecting service to major eastern and southern cities—providing them with far better air transportation than they have ever before experienced. With us at the press conference was Congressman Frank Horton representing Rochester, and Congressman Francis X. McCloskey, Congressman from Evansville, and Evansville's Mayor Michael Vandeveer. We very much appreciate the time these gentlemen have taken to participate in these announcements this morning. I assure you gentlemen, we'll do our very best to make you pleased and proud of the service we will be providing to Evansville and to Rochester.

As many of you will recall, in October of 1978 when Congress deregulated the airline industry, the most common airline reaction was that deregulation would offer some marvelous opportunities for airlines to at last get into some "greener pastures" where other carriers were making profits. For example, one of the east/west transcontinental carriers jumped in the New York-Florida market and one of the east coast to Florida carriers jumped into the transcontinental market. Both thought they saw opportunities to seize a share of the other's lucrative market. Since that time both of those carriers have backed out of those markets. That reaction to deregulation has been repeated many times across the country and in one case, at least, the attempt to get into too many new major routes, resulted in at least the temporary demise of that Texas carrier.

As I have said, Piedmont has been among the fastest growing of any of the carriers since deregulation. We have added Boston and Pittsburgh and Philadelphia and Miami, Tampa, Orlando and Memphis, New Orleans and Dallas, Houston and Denver, and the list goes on. In each case those are major U.S. cities.

The significant difference between what we have done, and what most others have done—and not everyone seems to recognize the difference—is that in virtually every case, Piedmont's new routes are between a new large city and a much smaller city where no nonstop service had previously been provided. In most cases that new service was provided in a market so small that many doubted that it would work. For example, when we started our first hub at Charlotte, we inaugurated Charlotte-Boston, Charlotte-Miami, and Charlotte-Dallas service. In each case those were regarded as marginal opportunities that probably could not work. We were betting however that between our use of smaller jet aircraft (737's) with two engines and two pilots, and the self-feed that we would provide at those new hubs, that we would make them work.

They did work, and as a result, people in a city like Fayetteville, for example, have daily round-trip commuter service to 26 important markets through our hub in Charlotte. Although a few airline critics have suggested that the hub is for the benefit of the airline and not the passengers—try telling that to the people of Fayetteville or any of a dozen similar cities in the Carolinas or Michigan or Ohio or more recently New York or Rhode Island or Connecticut. Try telling them that their new Piedmont hub with well-timed service to and from a medium sized hub is not a real asset.

As we completed the major work on our first hub at Charlotte, we began to work on a blueprint to create a wholly "new Charlotte," a new hub which would provide better service to a whole handful of cities than had previously been possible. In July of 1982 we opened a new hub at Dayton, which will provide Evansville, for example, with the opportunity to go to Boston or New York or Washington among others, and return home the same day. The Dayton hub became profitable almost from the start, and we provided the quality of transportation that has never before been enjoyed by Dayton or by the Ohio and Michigan and Indiana cities that it feeds.

Then in July of 1983 we opened a new similar hub in Baltimore. Try telling the people in Providence, or Hartford, or Albany, for example, that a hub of this kind does not provide far more service than any possible combination of linear routes would do—and here is the service opportunities that Congressman Horton's city of Rochester will get from two daily round trips to Baltimore, and here are the service opportunities Mayor Vandeveer's Evansville will get from their round trips to Dayton.

Please, Admiral Engen, don't tell those that live in the Fayettevilles or the Grand Rapids or the Akron/Cantons or the Providences or any of the other 40 feed cities that Piedmont serves that this service through three new hubs has not been an advancement in air transportation for the benefit of the air traveling public. We have not only convenienced travelers by providing service between big cities and medium cities not heretofore possible, but we have spread that traffic across the country, away from the major hubs to the smaller hubs. From an ATC standpoint that spreading should have been a relief. Most of the traffic that used to flow from the Carolinas to Boston flowed over New York, and most of the traffic that used to flow from our area to Florida flowed over Atlanta, as did the traffic to Dallas/Ft. Worth and Houston. Some of the peaking that occurred at those major hubs has unquestionably been pulled away from them and moved to more manageable airports. Thus the new smaller hubs should aid, not hinder the ATC efforts.

Undeniably, the results for Piedmont have been good. Passenger growth, revenue passenger miles, revenues, operating profit, net profit are in good shape. I should mention that both the operating profit and the net profit for the first half of 1984 are very nearly the same as they were for the total year of 1983. We will have a good 1984.

What about our service to the greater metropolitan Washington area? I wonder if you knew that Piedmont provides the most scheduled service to the area with over 80 jet departures a day today, and 91 by November 1st. And if you want to include the commuter flights associated with those airlines, the comparison is even more dramatic. Shortly after we announced the new Balti-

more hub, we also announced the purchase of Henson Airlines which had 59 departures a day at Baltimore/Washington International itself, with the result that we have *far* more service at BWI, and more service covering the Baltimore/Washington area than any other carrier. It's clear that with our growth plans at Baltimore, that edge will only be enhanced.

During that period Piedmont's stockholders equity—and our equity per share—have all improved impressively—and perhaps most important of all, even in light of Piedmont's rapid growth, when we more than tripled our jet aircraft fleet, our debt/equity ratio has improved each year, and we expect further improvement in 1984.

On November 1st of this year we will add some impressive new services—these will include the Rochester and Evansville service I mentioned, and a round trip between Charlotte and San Francisco and a round trip between Dayton and San Francisco; daily round trips between Baltimore-Dayton; Dayton-Denver; and Baltimore-Columbia.

And in spite of it all I haven't really told you the thing of which I am most proud. I am most proud of our passenger complaint to compliment ratio. Almost one-to-one—one complaint to one written compliment—and our CAB complaint record is about as good as any in the industry.

Obviously, we at Piedmont are pleased and proud of our progress, but certainly not everything is going well. During the last 18 months the frequency of our ATC delays has increased more than 50%, and the length of the average ATC delay has doubled during that same time period—and that's not the worst of it. The worst of it is that most of those increases are generally during periods of good weather. Our passengers tend to understand ATC delays in bad weather, but they tend to disbelieve you when the sun is shining.

Earlier in this talk I grumbled about Admiral Engen's occasional reference to hubs as being the source of ATC delays. In fairness, however, I want to tell you that I honestly think that our new FAA Administrator, Admiral Engen, is an able man who has undertaken a difficult task, and will make progress with it. He is convinced that he is getting at the roots of the problem, and I expect to see some results—but it won't come a minute too soon. Passengers are being inconvenienced, millions of gallons of jet fuel are being wasted and tempers are running short. Airline passengers, through billions of dollars in passenger taxes, have paid for a truly first rate ATC system. The money is available, the technology exists, and the need in indisputable. We need now to get on with the job—on a high priority basis.

Thank you so very much for this opportunity to chat with you this afternoon.●

IN SUPPORT OF WORLD FOOD DAY

● Mr. D'AMATO. Mr. President, I rise this afternoon to join as a cosponsor of Senate Joint Resolution 332, legislation proclaiming October 16, as "World Food Day." The purpose of this legislation is to increase the awareness of the American public to the serious problems of world hunger.

Mr. President, as many as half a billion people around the world still suffer from hunger and malnutrition. These numbers are simply unacceptable. Many of these people inhabit the newly developing countries of the world. Many of these mostly African countries are plagued by recurring natural catastrophes and inadequate food production. Their problems are in dire need of international attention. Crises like the African drought and the accompanying starvation may be expected to arise again, requiring a widespread humanitarian response from the world's greatest food producers, of which we are the leader.

We are very lucky in the United States; we have been blessed with agricultural abundance and it is in the traditional American spirit of generosity that we provide assistance to less fortunate countries through programs such as the Food-for-Peace Program—Public Law 480. Through cooperation with private organizations, business, and other developing nations, we must continue in our efforts to ease the pain and suffering caused by hunger.

This World Food Day resolution is part of a continuing effort to generate an understanding of the world's food problem. World Food Day, October 16, will be dedicated to exploring ways in which our Nation can further contribute to the elimination of hunger in the world.

I heartily encourage the prompt adoption of Senate Joint Resolution 332.●

ORDER OF BUSINESS

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

ORDERS FOR THURSDAY

Mr. BAKER. Mr. President, I have consulted with the minority leader and the clearance process on our side. I now make the following unanimous-consent requests.

Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. tomorrow. I further ask unanimous consent that after the recognition of the two leaders under the standing order there be a special order in favor of the distinguished Senator from Wisconsin [Mr. PROXMIRE] of not to exceed 15 minutes, to be followed by a period for the transaction of routine morning business until 12 noon, with statements therein limited to not more than 5 minutes each.

Mr. President, I ask unanimous consent that the time for the vote on the cloture motion under the provisions of rule XXII be changed until the hour of 3 p.m. and that the mandatory quorum under the provisions of that rule be waived.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, that is the end of the request.

May I explain that in this sequence, if the order is granted, at 12 noon we would be back on the motion, under the provisions of the Budget Act, to waive section 303 of that act in order to proceed to the agriculture appropriations bill. We would stay on that until the hour of 3 p.m. At 3 p.m., under the order, if it is granted, we would have the vote on cloture without the preliminary quorum call. If cloture is invoked, Mr. President, we would remain on the nomination until it is completed. If cloture is not invoked, we would resume consideration of the motion if it had not been previously disposed of.

That is my interpretation of the request. Could I inquire of the Chair if it concurs in that interpretation?

The PRESIDING OFFICER. That would be correct.

Mr. BYRD. Mr. President, this request meets with the feelings of our people on this side of the aisle. I just wanted to make sure it was clearly understood that there would be no debate on the nomination or on cloture prior to 3 o'clock. In other words, those 3 hours would be used between 12 and 3 on the motion by the distinguished majority leader to provide the waiver in connection with the agriculture appropriation bill. So I have no objection.

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

Mr. BAKER. I thank the Chair, I thank the minority leader, and I thank all Senators who have considered this matter in the clearance process.

Mr. President, I have a few things that are cleared for action by unanimous consent on this side. If the minority leader is prepared to do it, I am prepared to go through my file and see how far we can go.

Mr. President, first, I would propose to call up H.R. 5890, which is at the desk, if the minority leader has no objection.

Mr. BYRD. No objection.

COMMISSION RELATING TO MARTIN LUTHER KING, JR., HOLIDAY

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate H.R. 5890 not at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

31-059 O-87-9 (Pt. 16)

A bill (H.R. 5890) to establish a commission to assist in the first observance of Federal legal holiday honoring Martin Luther King, Jr.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

There being no objection, The Senate proceeded to consider the bill.

AMENDMENT NO. 3589

(Purpose: To establish a commission to assist in the first observance of the Federal legal holiday honoring Martin Luther King, Jr.)

Mr. BAKER. Mr. President, on behalf of the distinguished Senator from Maryland [Mr. MATHIAS], I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Tennessee [Mr. BAKER], for Mr. MATHIAS, proposes an amendment numbered 3589.

Mr. BAKER. 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 reads as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That the Congress finds that—

(1) January 20, 1986, marks the first observance of the Federal legal holiday, established by Public Law 98-144, honoring the birthday of Martin Luther King, Jr.;

(2) such holiday should serve as a time for Americans to reflect on the principles of racial equality and nonviolent social change espoused by Martin Luther King, Jr.; and

(3) it is appropriate for the Federal Government to coordinate efforts with Americans of diverse backgrounds and with private organizations in the first observance of the Federal legal holiday honoring Martin Luther King, Jr.

SEC. 2. There is established a commission to be known as the Martin Luther King, Jr. Federal Holiday Commission (hereinafter in this Act referred to as the "Commission").

SEC. 3. The purposes of the Commission are—

(1) to encourage appropriate ceremonies and activities throughout the United States relating to the first observance of the Federal legal holiday honoring Martin Luther King, Jr., which occurs on January 20, 1986; and

(2) to provide advice and assistance to Federal, State, and local governments and to private organizations with respect to the observance of such holiday.

SEC. 4. (a) The commission shall be composed of—

(1) four officers from the executive branch, appointed by the President;

(2) four Members of the House of Representatives, appointed by the Speaker of the House of Representatives in consultation with the minority leaders of the House of Representatives;

(3) four Senators, appointed by the President pro tempore of the Senate in consultation with the majority and minority leaders of the Senate;

(4) Coretta Scott King and two other members of the family surviving Martin Luther King, Jr., appointed by such family;

(5) two individuals representing the Martin Luther King, Jr., Center for Non-Violent Social Change (a not-for-profit organization incorporated in the State of Georgia), appointed by such organization; and

(6) fourteen individuals other than officers or employees of the United States or Members of Congress, appointed by the members of the Commission under paragraphs (1) through (5) of this subsection from among individuals representing diverse interest groups, including individuals representing labor, business, civil rights, and religious groups, and entertainers.

(b) Not more than half of the members of the Commission appointed under each of paragraphs (2), (3), (5), and (6) of subsection (a) shall be of the same political party.

(c) Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the manner in which the original appointment was made.

(d) Members of the Commission shall serve without pay, but may, subject to section 7, be allowed travel expenses, including per diem in lieu of subsistence, while away from their homes or regular places of business in the performance of services for the Commission.

SEC. 5. (a) The Commission shall first meet within 30 days after the date of enactment of this Act. At this first meeting the Commission shall elect a chairperson from among its members and shall meet thereafter at the call of the chairperson.

(b) The Commission may encourage the participation of, and accept, use, and dispose of donations of money, property, and personal services from, individuals and public and private organizations to assist the Commission in carrying out its responsibilities under this Act.

(c) The provisions of the Federal Advisory Committee Act shall not apply to the Commission established under this Act.

SEC. 6. (a) The Commission may appoint a director and a staff of not more than five persons, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. Subject to section 7, the Commission shall set the rates of pay for the director and staff, except that the director may not be paid at a rate in excess of the maximum rate of pay payable for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code, and no staff member may be paid at a rate in excess of the maximum rate of pay for grade GS-13 of such General Schedule.

(b)(1) Upon the request of the Commission, the head of any department or agency of the United States may detail, on a nonreimbursable basis, any of the personnel of such department or agency to the Commission to assist it in carrying out its responsibilities under this Act.

(2) Each head of such department or agency is authorized to cooperate with and assist the Commission in carrying out its responsibilities under this Act.

SEC. 7. All expenditures of the Commission shall be made from donated funds.

SEC. 8. Not later than April 20, 1986, the Commission shall submit a report to the President and the Congress concerning its activities under this Act.

SEC. 9. The Commission shall cease to exist after submitting its report under section 8.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3589) was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 5890) was ordered to a third reading, was read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

THE CALENDAR

Mr. BAKER. Mr. President, I now say to the minority leader that I have cleared on this side two items on today's Calendar of Business, and that is Calendar Order Nos. 1074 and 1076. I wonder if the minority leader can clear either or both of those matters.

Mr. BYRD. Mr. President, I am happy to respond in the affirmative.

Mr. BAKER. I thank the minority leader.

REDUCTION OF EMIGRATION FROM THE SOVIET UNION

Mr. BAKER. Mr. President, I ask the Chair to lay before the Senate Calendar Order No. 1074.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 279) expressing the sense of the Congress regarding the reduction of emigration from the Soviet Union.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Foreign Relations with amendments.

(The parts intended to be stricken are shown in boldface brackets and the parts intended to be inserted are shown in italic.)

H.J. RES. 279

Whereas the number of Jews allowed to emigrate from the Soviet Union [has] decreased from fifty-one thousand *in 1979* to **[**two thousand**]** *about thirteen hundred* last year, a drop of *over* 95 per centum;

Whereas the Soviet Union signed the Helsinki accords on August 1, 1975, which bound them to allow **[**the free emigration of ethnic nationals;**]** *freedom of movement, including emigration;*

Whereas the Soviet Union has grossly violated that agreement by refusing emigration to Soviet Jews and by harassing, intimidat-

ing, and punishing those Soviet Jews who apply for exit visas under the provisions of the accords;

Whereas the Soviet Union has [banned] *systematically interfered with the practice of* The Hebrew language and culture and severely restricted Jewish religious expression;

Whereas the Soviets have made it almost impossible for Soviet Jews to [seek] *obtain* higher education and meaningful employment inside the Soviet Union;

Whereas the Soviet Union uses mental hospitals and *abuses of* psychiatric [torture] *treatment* to punish dissenters and refuseniks; and

Whereas the Soviets have violated the United [Nation's] *Nations'* Declaration of Human Rights, to which they are a party, by refusing free emigration for Soviet Jews and others: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of the Congress that the President should [insist on] *urge* Soviet compliance with the Helsinki accords and the United Nations' Declaration of Human Rights at [the current CSCE Review Conference and] the General Assembly of the United Nations *and at all other appropriate international meetings,* especially as these documents relate to the emigration of Soviet [Jews] *Jews,* as a sign of Soviet good will in other negotiations.

Mr. BAKER. Mr. President, I ask unanimous consent that the amendments be considered and agreed to en bloc.

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

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time, and passed.

The amendments to the preamble were agreed to.

The preamble, as amended, was agreed to.

Mr. BAKER. 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.

COMMUNITY PLANNING ASSISTANCE TO INDIAN TRIBES

Mr. BAKER. Mr. President, next I ask the Chair to lay before the Senate Calendar Order No. 1076, H.R. 4952.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 4952) to authorize the Secretary of Defense to provide assistance to certain Indian tribes for expenses incurred for community impact planning activities relating to the planned deployment of the MX missile system in Nevada and Utah in the same manner that State and local governments were provided assistance for such expenses.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 4952) was ordered to a third reading, was read a third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

HOUSE JOINT RESOLUTION 453 ORDERED HELD AT DESK

Mr. BAKER. Mr. President, I ask unanimous consent that once the Senate receives from the House, House Joint Resolution 453, the National High Tech Week resolution, that it be held at the desk pending further disposition.

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

CALENDAR ITEMS INDEFINITELY POSTPONED

Mr. BAKER. Mr. President, I have a list of matters that are cleared to be indefinitely postponed on this side. If the minority leader would permit me to do so, I would like to read that list now, and see if he objects to any of them. I may say in advance that what I propose to do is make one unanimous-consent request that that action be taken as to those which are cleared on both sides.

The measures involved, Mr. President, and cleared for indefinite postponement on this side are as follows: Calendar Order 141, S. 1280; 142, S. 1281; 143, S. 1282; 144, S. 1283; 177, S. 1288; 178, S. 1289; 179, S. 1290; 181, S. 1292; 206, S. 662; 240, Senate Joint Resolution 86; 505, H.R. 4139; 537, S. 2062; 657, S. 1059; 799, H.R. 5394; and 1058, S. 2853.

Mr. BYRD. Mr. President, there is no objection.

Mr. BAKER. I make that request, Mr. President.

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

RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, that is all I have in today's folder. If any other Senator seeks time, I am prepared to yield the floor. I see no Senator now seeking recognition.

Therefore, I move in accordance with the order previously entered that the Senate now stand in recess until the hour of 11 o'clock a.m. on tomorrow.

The motion was agreed to; and at 6:01 p.m., the Senate recessed until tomorrow, Thursday, August 2, 1984, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate August 1, 1984:

THE JUDICIARY

Paul M. Bator, of Massachusetts, to be U.S. circuit judge for the District of Columbia circuit, vice, a new position created by Public Law 98-353, approved July 10, 1984.

Juan R. Torruella del Valle, of Puerto Rico, to be U.S. circuit judge for the first circuit, vice a new position created by Public Law 98-353, approved July 10, 1984.

Emory M. Sneeden, of South Carolina, to be U.S. circuit judge for the fourth circuit, vice, a new position created by Public Law 98-353, approved July 10, 1984.

Frank H. Easterbrook, of Illinois, to be U.S. circuit judge for the seventh circuit, vice, a new position created by Public Law 98-353, approved July 10, 1984.

Cynthia Holcomb Hall, of California, to be U.S. circuit judge for the ninth circuit, vice, a new position created by Public Law 98-353, approved July 10, 1984.

Charles E. Wiggins, of Virginia, to be U.S. circuit judge for the ninth circuit, vice, a new position created by Public Law 98-353, approved July 10, 1984.

Thomas J. Aquilino, Jr., of New York, to be a judge of the U.S. Court of International Trade, vice Frederick Landis, retired.