September 18, 1984

CONGRESSIONAL RECORD—SENATE

SENATE—Tuesday September 18, 1984

(Legislative day of Monday, September 17, 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 this morning will be offered by the Reverend David J. Dean, senior minister of Grace Congregational United Church of Christ, Rutland, VT. He is sponsored by Senator Robert STAFFORD of Vermont.

PRAYER

The Reverend David J. Dean, senior minister, Grace Congregational United Church of Christ, Rutland, VT, offered the following prayer:

Let us pray.

O God, our Creator, we pause before You today, not to guide You, not to direct Your purposes, but to ask that You will guide, direct, sustain and strengthen the Members of the U.S. Senate with the strength they need to confront the problems confronting them. May the decisions they make this day benefit all humankind and be acceptable in Your sight.

Thank You for the people of the United States of America: the old and the young, the rich and the poor, the laborers, the managers of industry, the artists, the poets, the factory worker and professionally skilled, for all these contribute to our country's good. We thank You for the divergent backgrounds—for peoples of every tradition, from many nations, of many colors, and of many creeds.

We pray that we may use our land: for the mountains and plains, for rivers and lakes, for rich soil and rare minerals, we thank You.

But we also thank You for things unseen. Not for conquests of the sword, but for conquests of the spirit, creating a nation where freedom is enjoyed. For those lives who dreamed of this Nation conceived in liberty and dedicated to the proposition that all people are created equal, we thank You.

And so help us in our responsibilities as U.S. Senators: help us to see with compassion, the suffering and the injustices of our world. Help each of us to seek the approving vote of his or her own conscience, a conscience formed by study, accurate analyses, able arguments and persistent prayer.

O God, may this Nation continue to be a beacon of hope to a troubled world because the Senators have been instruments of justice and hope, peace and charity, patience and understanding.

God, bless us all and help us all. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

Mr. BAKER. I thank the Chair.

REV. DAVID J. DEAN, GUEST CHAPLAIN

Mr. BAKER. Mr. President, I wish to take this opportunity to congratulate our colleague, Senator STAFFORD, for his invitation to Reverend Dean to be our guest chaplain. Reverend Dean is another in a long and distinguished series of guest chaplains who have served the Senate by invitation. We are happy to have him with us this morning. We express our gratitude to Senator STAFFORD for inviting him.

Mr. STAFFORD. Will the distinguished majority leader yield?

Mr. BAKER. Yes, I yield.

Mr. STAFFORD. I appreciate what the majority leader has said. I consider it a distinct privilege that Reverend Dean has been able to come to Washington from the church I attend in Rutland, VT. We are grateful to him for his very fine prayer, which we very much need in this body. I express my thanks also.

Mr. LEAHY. Mr. President, will the majority leader yield?

Mr. BAKER. I am happy to yield to the distinguished junior Senator.

Mr. LEAHY. Mr. President, I wish to express my appreciation also to the distinguished Senator from Vermont. His pastor here has to improve the whole climate of the Senate. I would note that the expression of regard for him is shown by the fact that the entire delegation is here. Our distinguished and admired colleague from the other body, Mr. Jeffords, has joined us. I believe this is an example of the way Vermont feels about this distinguished member of our clergy.

Mr. BAKER. Mr. President, I welcome Congressman Jeffords to this Chamber. We are happy to have him. I might say facetiously to Reverend Dean that I do not know whether it is a great tribute to him that the entire delegation is here or whether they wanted to make sure that they heard the prayer he uttered. In any event, we are delighted that our colleague from the House is here and especially thankful that the Reverend Dean honored us with his prayer.

Mr. STAFFORD. Mr. President, if the leader will yield, this shows the bipartisan feeling among the delegation from Vermont with regard to Reverend Dean.

SENATE SCHEDULE

Mr. BAKER. Mr. President, this morning after the two leaders are recognized and the time for routine morning business is concluded, there will be the usual Tuesday recess so that Members may attend their caucuses until 2 o'clock. The Senate will resume consideration of the trade bill at 2 o'clock.

Mr. President, I hope we can finish that trade bill today. I urge Senators to consider that we are in the last days of this session of this Congress. I urge them to be forbearing in their offering of amendments and in their debate so that the managers of this bill can get on with the matter at hand.

I think our objective should be to try to finish the trade bill by 4 o'clock this afternoon. That is a big order, but it is not impossible.

I urge Senators to consider that in the budgeting of time remaining available to us, that that appears to be the very best resolution. So I hope we can finish the trade bill by 4 o'clock. At 4 o'clock, by previous order, we will resume consideration of the motion to proceed to the consideration of the TV in the Senate resolution. There will be 2 hours of debate on that. At 6 o'clock, we will have a cloture vote.

Mr. President, I hope cloture will be invoked. If cloture is invoked, I hope we can proceed to lay down the TV in the Senate resolution.

Mr. President, after that matter is disposed of, and after the trade bill is disposed of, it presently appears that the most likely next candidate for legislative consideration will be the highway bill. Senators might take note of the possibility that the highway bill will be scheduled yet sometime this week.

Mr. President, I think that is all I can announce for this moment. I am happy to offer my remaining time under the standing order to the distinguished minority leader.

* This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.
RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. MATTHEWS). Under the standing order, the minority leader is recognized.

SENATE SCHEDULE

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

Mr. President, could the distinguished majority leader tell us what the situation is with respect to the conference on the military authorization bill and the conference on the budget resolution? I am doing that, is it still the majority leader's strong feeling that when the Senate and House adjourn for the elections, that will be an adjournment sine die? That means that we would have to crowd a lot of work into the next 2 weeks on matters that are extremely controversial; for example, the debt limit and the continuing resolution.

Mr. BAKER. Mr. President, the minority leader is absolutely right. We have our work cut out for us. We have 2 weeks plus 3 days in order to do a great deal and do it well, and do it very fast. But I continue to hope that we can do all of most of the things that I listed on yesterday and the day before and have announced from time to time as the favorable agenda for the Senate between now and October 4. It is the intention of the leadership on this side to make every effort to adjourn sine die on October 4 so that we can fully expect the leadership on this side that we will do that.

Now, that may mean leaving many things undone. Two things we cannot leave undone, of course, are the ones to which the minority leader has already referred, that is, the debt limit and the continuing resolution. But absent extraordinary circumstances, it is the intention of the leadership on this side to adjourn sine die. I have consulted with the distinguished Speaker on this subject, and I would not presume to speak for him except to say that he and I agree, and do so emphatically, on the idea that the Congress must adjourn on October 4 and do so sine die.

Mr. President, on the matter of the budget resolution conference report and the defense authorization conference report, I have also stated from this place previously that both the Speaker and the minority leader have received the defense authorization conference report and a defense appropriations bill before the Congress adjourns. I have met with the Speaker on more than one occasion to try to assist in the negotiations underway in compromise of those issues. We have not yet reached a solution, but I expect to meet with the Speaker again. We have made an effort to keep the minority leader advised of the progress of those talks. When we reach the place where we can do so, and do it with concrete matters in connection with the defense authorization appropriation, I anticipate we will have a meeting with the principal actors on both sides of this to discuss that.

But the conference report on the budget resolution and the defense authorization bill at this moment appear to be bound up in those ongoing negotiations, and I hope that after today I can make a better report on the status of those things.

Mr. BYRD. Mr. President, I thank the distinguished majority leader. I compliment him for attempting to work out some resolution of these problems with the Speaker. It is true that we can deal with concrete and specified matters. But when it comes to the specifics, as the distinguished majority leader will remember, he began telling me the specifics the other day during a telephone conversation and I suggested that instead of my being informed as to the specifics of A, B, and C, what was specified, we have our ranking Democrats attend such a meeting and that they be collectively and directly informed.

The majority leader will proceed and make the change in the line where something happened which prevented the meeting, which the distinguished majority leader had arranged from occurring on yesterday and in connection with which I had proceeded to have Mr. CHILES, Mr. NUNN, and Mr. STEWART present. That meeting, as I understand it, was not called off except by necessity. The majority leader is not to be criticized for the fact that the meeting did not occur. I think it involved some matters that were beyond his control.

I am saying all of this simply to express the concern, with only 2 weeks remaining after this week, that the Senate and the House will be able to complete our business in time to provide for a sine die adjournment on October 4 or October 5, whatever the day will be.

I am expressing this concern for the record. We will have the debt limit and the continuing resolution coming along at some point, and those are vehicles in connection with which, if we allow ourselves to be guided by the light of experience, several amendments will be offered. I am concerned that we not reach those two items just in the last 2, or 3, or 4 days of the session.

I wonder if the majority leader could tell the Senate when the House expects to send the debt limit matter and the continuing resolution to the Senate?

Mr. BAKER. Mr. President, I thank the minority leader. May I say first in respect to the meeting that was scheduled for yesterday and which was canceled by both sides—incidentally, I had invited Senators Tower, Stevens, and Domenici to the same meeting which I believe corresponded to those identified by the minority leader—canceled because the meeting was that the specifics that we were going to discuss became pretty unspecific by that time and it seemed to me not productive to have that meeting until we had something concrete we could discuss. I hope that comes from my meeting with the Speaker today. But that was the reason for the cancellation.

On the matter of House action on the debt limit. I have no idea. I have not been advised as to when the House had scheduled any action. I think the House would greatly prefer us to get a budget resolution out so they never had to send us anything on the debt limit, but presumably they will have a backup of some sort, and I will talk to the Speaker about that.

I have a letter from the Secretary of the Treasury saying that we run out of money on September 28, and I will supply a copy of the letter to the minority leader. But I agree with him that we have a difficult situation in respect to the debt limit.

It is my understanding that the House Appropriations Committee reported a continuing resolution last Friday, and that the House will act on it this Friday and send it to us. I do not know in what form, however, but we will have it and it will have to go to committee on this side, so beginning next week I assume we can look for action on the continuing resolution.

Mr. BYRD. I thank the majority leader. So it is my understanding from what the distinguished majority leader has said that the continuing resolution will probably be in the Senate by Friday of this week.

Mr. BAKER. Yes.

Mr. BYRD. And that the continuing resolution will in all likelihood—I am reading this into the majority leader's remarks, and also looking at the time and sequence of events—the continuing resolution will in all likelihood come to the Senate before the debt limit reaches the Senate.

Mr. BAKER. I would not be surprised, Mr. President. The House could surprise us; they often do, but the way it looks, we will have the CR before we have the debt limit.

Mr. BYRD. Is it the majority leader's understanding that there are no conferences going on right now between the two Houses on both the military authorization bill and the budget resolution?

Mr. BAKER. That is my understanding, Mr. President.

Mr. BYRD. I also infer from what the majority leader has said—I just
simply want to ascertain for the Record—that those conferences between the two Houses on the military authorization bill and the budget resolution are not now going forward and will probably not go forward until the negotiations have resulted in a resulting of a major appropriation figure, and would I be accurate in saying that the MX is also involved?

Mr. BAKER. It certainly is.

I am not certain, though, Mr. President, that the two conferences might not recommence without an agreement. For example, I can visualize—I hope it does not occur, and I hesitate to mention it—a situation in which either the Speaker or I decided that we no longer had a useful role to play in these negotiations and simply disengaged. If that were to happen—and I hope it does not—I would be inclined to ask the Senate to go forward with both conferences.

I think it would greatly facilitate a conference result if the leadership on both sides of the Senate arrives at a consensus agreement on the defense numbers and on defense considerations.

Mr. BYRD. I thank the distinguished majority leader for his response to my questions.

I must say that I am encouraged to hear the distinguished majority leader say that if the discussions between the Speaker and the Senate majority leader break down without producing some tangible results, the majority leader in the Senate, on his own, will urge the Senate conferences to move forward with the conferences on the military authorization bill and the budget resolution.

Mr. BAKER. I thank the minority leader.

Mr. BYRD. I thank the distinguished majority leader.

Mr. President, how much time do I have remaining?

THE PRESIDING OFFICER. The Senator has 6 minutes.

Mr. BAKER. Mr. President, would the minority leader like additional time? I would be glad to restore the full hour.

Mr. BYRD. I thank the majority leader. I believe I have sufficient time.

THE TRADE IMBALANCE: OUR OTHER DEFICIT

Mr. BYRD. Mr. President, yesterday, we began discussion of a trade bill. As Senator Heilemann debates major issues and legal fine points of that legislation, we need to be mindful of the fact that our discussion takes place at a time of fundamental challenge to America's leadership in the world marketplace.

In July, America experienced its largest 1-month trade deficit in history—a staggering $14.1 billion. This follows the Commerce Department's announcement that the trade shortfall for the first half of this year exceeded $50 billion. By the end of this year, our trade deficit could reach $140 billion—twice the 1983 record of $70 billion. The July deficit alone translates into 350,000 jobs lost or not created. We now know that yesterday indicated that trade in services—a traditional strength for our economy—is also on a sharp decline.

The July deficit is especially disturbing because American exports in July set a 3-year record, totaling $19.4 billion. Notwithstanding this excellent performance by American companies, a recent wave of foreign imports of such basic products as steel overwhelmed the gains posted by American products. Steel imports in July captured nearly one-third of the American market. With the record 2.6 million tons of foreign steel being imported. Economists expressed concern that a large number of finished goods such as high-technology equipment and automobiles, made up much of the deficit.

If the discussions between the Senate conferences today on the trade bill are not now going forward and would I be accurate in saying that trade in services—a traditional strength for our economy—also is on a sharp decline.

The deficit as the trade imbalance? Our other deficit?

But I represent a state beginning in late 1979 that has a strong steel industry, and I am proud of that leadership, and proud of American leadership in the world market. This has been one of the greatest achievements of Democratic and Republican administrations alike.

At the start of 1980, this nation enjoyed a $1.3 billion trade surplus. In 1983, it was $14.4 billion. In 1984, the Commerce Department predicted it would reach $21.3 billion. Mr. President, how much time do I have remaining?

Mr. President, I ask unanimous consent that an article from the Washington Post of August 30, entitled "Trade Deficit at All-Time High," be printed in the Record.

The being no objection, the article was ordered to be printed in the Record, as follows:

TRADE DEFICIT AT ALL-TIME HIGH

(By Stuart Auerbach)

The U.S. merchandise trade deficit soared to an all-time high of $14.1 billion last month as record imports, at $110 billion for the year, more than doubled America's best export performance in nearly three years, the Commerce Department reported yesterday.

Commerce Secretary Malcolm Baldridge pointed out that the $73.8 billion deficit for the first seven months of 1984 already exceeds the $46.4 billion total for all of last year.

Baldridge blamed the strong growth of the U.S. economy and the high dollar for the record imports. He said a slowdown in American economic growth, as signaled yesterday by the second straight decrease in the nation's index of leading indicators, "should result in some declines or smaller increases in imports."

But, Jerry Jasinowski, chief economist for the National Association of Manufacturers, called the trade deficit "an economic disaster" and predicted it could reach as high as $140 billion for the year. Government economists agreed the deficit will set a record but forecast that it will end up somewhat lower, between $110 billion and $130 billion.

"The trade deficit is going to stay where it is until the dollar declines, which is not imminent," said Michael Evans, president of Evans Economics, a D.C. firm.

A strong dollar, fed by high interest rates and the budget deficit in the United States, lowers the cost of imports to Americans and increases the price of U.S.-made goods overseas. David Lund, senior international economist, in the Commerce Department, said the value of the U.S. dollar rose by 8 percent during the summer, further increasing incentives for importers to buy foreign products.

The record trade deficit comes at a time when the Reagan administration is faced with politically sensitive decisions on requests for trade protection from American industries as steel, copper and textiles. Congress also will be under pressure in its closing weeks to pass bills protecting the same
industries, as well as autos, wine, tuna fish and footwear.

Trade economists blamed some of the surge in imports on the crises for protection, and legislators raced to beat any possible restrictions.

Steel imports, for example, reached record levels last month, nearly doubling to 1.3 billion worth of products overseas last month, a 10.3 percent jump over June and only $200 million less than the previous record.

Exports of manufactured goods increased for the fourth straight month and included heavy overseas sales of car and tractor parts, electronic machinery, aircraft, data processing machinery and cars. There also were large increases in exports of wheat, corn and beans, although the traditional trade surplus in agricultural sales shrank to its lowest level ever, $909 million.

The United States ran its largest trade deficit, $4.7 billion, with Japan, up sharply from the $2.8 billion deficit in June. This was caused largely by sharp increases in auto shipments.

Deficits with other major trading partners also grew, totaling $3.04 billion with West Germany, $2.71 billion with the N.A.T.O., $2.770 billion with Mexico and $1.5 billion with members of the Organization of Petroleum Exporting Countries (OPEC).

STEEL

Mr. BYRD. Mr. President, the September 18 edition of the Washington Post reports that key administration officials are prepared to advise the President with respect to steel imports. The levels of relief reported to be favored by the administration are inadequate.

Steel is vital to the national security of the United States. A comprehensive, long-term strategy that requires investments in modernizations is needed to prevent the involuntary liquidation of America’s steel industry.

The Fair Trade in Steel Act is such a proposal. That legislation, of which I am a cosponsor, would provide for a 15-percent quota over a period of 5 years. Yesterday, former Vice President Mondale proposed a similar meaningful long-term strategy—covering 5 years, I believe—to preserve America’s steel industry. Mr. Mondale’s proposed 17-percent quotas over a 5-year period, as I have indicated, coupled with a strong commitment to modernization on the part of the steel industry.

I commend Mr. Mondale for his proposal. I certainly hope that the administration will go further than has been reported and provide meaningful relief for unfairly damaged domestic steel makers. Meaningful relief for steel will benefit West Virginia and other States by providing jobs for thousands of Americans.

Recently, when Mr. Mondale was on the Hill, I took occasion—and he very kindly gave me the occasion—to speak with him briefly about the problems that the President has, not only throughout the country, but I spoke with particular reference to the problems that the steel industry is having in West Virginia. Meaningful relief for West Virginia and other States by providing jobs for thousands of Americans.

Mr. President, I ask unanimous consent to have printed in today’s edition of the Washington Post article to which I have referred, entitled “19% Steel Import Limit Favored,” with a subheading, “Key Officials to Advise Reagan.”

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

19% Steel Import Limit Favored—Key Officials to Advise Reagan

(Stuart Auerbach)

Key administration officials will advise President Reagan today to force foreign steel suppliers to cut back their imports to the United States, according to industry sources revealed yesterday.

That option is one of four that will reach the president as a Saturday deadline nears for a decision on one of the most sensitive political issues confronting him this election year: how much trade protection to give American steel makers. The deadline was forced by an International Trade Commission ruling that American steel makers are suffering substantial harm from imports.

Imports averaged 24.2 percent of the U.S. market for the first six months of this year, but surged to a record 33 percent in July.

None of the options presented by the Cabinet-level task force is likely to satisfy the American steel makers, who called an emergency meeting of their trade association executive committee for this morning to intensify their lobbying efforts. (The industry wants comprehensive 15 percent quotas on imports.)

A 19 percent limit on steel imports is being pushed by Commerce Secretary Malcolm Baldrige. Other officials, led by Office of Management and Budget Director David Stockman and President Reagan’s chief economic adviser, Alice A. Auerbach, were still arguing yesterday that such a solution would be too protective.Emoji level administration sources revealed yesterday, the option lies in negotiations with key exporting nations to force cuts in their steel sales to the United States.

Chief among these suppliers are the newly industrialized Third World nations of Brazil and Korea, whose steel exports have surged to the United States, and any negotiations might lead to trade restrictions that would benefit West Virginia and other States by providing jobs for thousands of Americans.

The Commerce Department’s plan to limit imports was reported yesterday to have strong support, sources said. But other limits, ranging as low as 10 percent, also have been mentioned—administrative and industry sources said.

The Commerce plan does not go as far as setting a global quota, which the administration has opposed strongly in the past, and any limits are listed as “targets.”

Under this option, the Reagan administration would use the leverage of the ITC decision in its negotiations with Brazil, Korea and any other nation it wants to include in the OMA’s.

The administration already has trade restrictions in force under the Reagan Economic Community and is likely to extend those to cover products such as pipe and cans, where steel imports have jumped markedly, sources said.

In an attempt to satisfy the industry, the Commerce plan calls for formalizing voluntary restraints that Canada and Japan already have on their sales to the U.S. market. These could include asking for a commitment from Japan, whose imports this year are almost twice what they were in 1983.

Another option favored by the Stockman forces would call for looser arrangements with importing nations and would not rely on the ITC decision for leverage in negotiations. There also would be no way the administration could force suppliers to keep to any negotiated limits.

It does, however, offer the steel industry an opportunity to confront the restructuring it has been mandated to perform domestically, to become more competitive internationally.

The industry, allied in the fight for protection from imports with the United Steelworkers of America, has argued that the votes of the middle America “rust belt” are vital to the Reagan reelection campaign. Sources on the Hill, however, noted that restrictions on steel imports could jeopardize their overseas sales.

Although the Commerce Department’s plan to limit imports was reported yesterday to have strong support, sources said the strong disagreement within the administration over the eve of today’s meeting of the Cabinet Council on Commerce and Trade made the situation “fluid.”
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closing of outdated mills and the loss of jobs.

The other two options were given little chance of adoption. They are to do nothing, or to accept the NLC recommendation as it was handed down.

Mr. BYRD. Mr. President, I yield the floor.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. MATTINGLY). The Chair, on behalf of the Vice President, pursuant to 22 U.S.C. 1928a-1928d, as amended, appoints the following Senators as members of the Senate delegation to the North Atlantic Assembly Fall Meeting, to be held in Brussels, Belgium, November 11-16, 1984: The Senator from West Virginia [Mr. RANDOLPH], the Senator from Rhode Island [Mr. PELL], the Senator from Alaska [Mr. STEVENS], the Senator from Missouri [Mr. EAGLETON], the Senator from Delaware [Mr. ROTH], the Senator from Tennessee [Mr. BENTSEN], the Senator from Nebraska [Mr. ZORINSKY], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Maryland [Mr. SARBANS], the Senator from Utah [Mr. HATCH], the Senator from Alabama [Mr. HEFLIN], the Senator from North Dakota [Mr. ANDREWS], and the Senator from Alaska [Mr. MURkowski].

RECOGNITION OF SENATOR LUGAR

The PRESIDING OFFICER. Under the previous order, the Senator from Indiana [Mr. LUGAR] is recognized for not to exceed 15 minutes.

PROPOSED STEEL QUOTA LEGISLATION

Mr. LUGAR. Mr. President, the United Steelworkers and many major steel companies in the United States have called for urgent consideration and passage of S. 2380, the Fair Trade in Steel Act of 1984. This legislation would place a 5-year quota on imports of steel into the United States, with resulting steel company profits to be reinvested in the steel industry for modernization. S. 2380 calls for a 15-percent overall import quota, requiring allocation by country and by product.

Literature circulated to delegates of the 1984 Republican National Convention by the United Steelworkers states that employment in the steel industry has dropped from 453,000 in 1979 to 243,000 in 1983; that capacity utilization in the industry has dropped from 95.1 percent in 1979 to 65.4 percent in 1983; and that the actual price per net ton of shipped steel has dropped from $514.99 in 1981 to $460 in the first half of 1984. Furthermore, imports as a percentage of steel consumption in the United States have increased from 15.2 percent in 1979 to 25.2 percent in the first quarter of 1984. The steel industry claims that imports have exceeded 35 percent in recent months. The industry argues that foreign imports of steel have led to job losses and to depressed prices. Both steelworkers and various steel companies assert that most foreign imports are dumped on the U.S. market at prices below cost of production.

U.S. law prohibits dumping, but steelworkers and many steel companies allege that enforcement of antidumping provisions has been grossly inadequate and that only mandatory overall quotas can achieve relief in a timely and efficient manner. The steel industry in the United States suffered total losses of $6.7 billion in the 1982-83 period. Modernization to meet competition is essential to the survival of this industry.

The quota legislation is clearly in violation of our trade agreements and would bring strong retaliation against our agricultural exports and against our agricultural production. In my judgment, farmers in Indiana who have barely recovered from the disastrous U.S. Government embargo on exports of grain to the Soviet Union in 1979 would face retaliation against our exports which would exceed the losses suffered under the Soviet embargo. During the past few months, the U.S. Government attempted additional protectionism in the textile industry and American farmers suffered the results in direct retaliation by the Chinese Government. Canada has already indicated that strong retaliatory measures will be taken if the steel quota legislation is passed.

While every effort in the issue of more jobs for my State of Indiana is so important to me and to my constituents, I have corresponded with leaders in almost every business sector of Indiana about the steel quota legislation. I have researched the extensive literature on the potential future of the steel industry, including the favorable scenarios in which new breakthroughs in technology are adopted much more rapidly than management and workers have acted in the past.

I am convinced that in the short, intermediate, and long term, more jobs will be lost in Indiana than could possibly be gained by adopting the steel quota legislation. The very modernization which could save the companies will result in fewer steelworkers jobs, long-term benefits experienced in other industries. A similar decrease
loss of American jobs due to the self-imposed quotas. The complexities of estimates, measurements of compliance, and ensuing enforcement procedures are mind boggling. A 15-percent quota bill is not self-enforcing. The U.S. industry is in the process of doing the same. A general increase in the price of steel will create substantial loss of jobs in industries which must use higher priced steel.

The argument for the 15-percent quota legislation is often made on the basis that tens of thousands of steel workers would have the opportunity to return to work. Honest and sophisticated advocates of the legislation state that even in the best of circumstances, 40,000 steelworkers might return to work for a while and not the 210,000 who have lost their jobs since 1979. The stark fact remains that even if 40,000 steelworkers were rehired in the steel industry, many more Americans would lose their jobs due to foreign retaliation against our exports and to higher costs which would make many companies less competitive in world markets.

It is probable that increased modernization of the steel industry in this country will lead to fewer jobs. Whether this legislation is passed or not, it is only fair that citizens in the States and districts most vitally affected should know that steel jobs will be fewer, rather than being led to support the hope of producing jobs which are simply not going to exist under any circumstances.

An even more unfortunate misunderstanding is the assumption that a 15-percent quota for 5 years could be enforced any better than current antidumping legislation. Advocates of the 15-percent quota have not explained how steel producers would be made to produce the precise quantities of each category of steel in a target year to be imported from each steel-making country. Annual estimates of steel usage in the United States vary markedly depending upon the vigor of economic activity in our country.

Failure to estimate correctly the need for specific items from specific countries will lead to bottlenecks and inefficiencies in production and to the need for specific items from specific countries will lead to bottlenecks and inefficiencies in production and to the

The denial of quotas to certain specialty steel companies has led to fears that quotas on certain steel products would lead to other steel imports flowing into unregulated areas. Finally, in the event that quotas on all kinds of steel should be imposed, fabricators of steel products will find it possible for many American steel companies to furnish the products which the rest of American industry desired at prices which are competitive. These overall economic policies should be coupled with stringent antidumping enforcement, the strengthening of free trade procedures in the world, and targeted assistance to individuals and communities to bring about a humane transition from employment of the past to productive employment in the future.

Whatever may be the economic merits of S. 2380, it comes before us because over 200,000 American steel workers have lost their jobs and have no reasonable prospect of ever seeing those jobs again. But we must be honest: Blatant protectionism will not restore those jobs. And blatant protectionism will not create long term new jobs in the steel industry. The economic solution to unemployment cannot substitute for sound judgment about how to meet the human suffering which will result from the transition in the steel industry. We will need our very best competitive efforts to ensure the future of a vigorous American steel industry and to meet the needs of persons attempting to surmount a large transition in that industry. I pledge to work with President Reagan and congressional leaders to meet those needs.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized for not to exceed 15 minutes.

LET'S NOT GIVE UP ON ARMS CONTROL AGREEMENTS WITH THE SOVIET UNION

Mr. PROXMIRE. Mr. President, in a Wall Street Journal column on June 15, Suzanne Garment bemoans the lack of quick and indignant reaction in this U.S. Senate to the increasing evidence that an investigation by the Italian state prosecutor concludes that the Bulgarian Communist Govern-
ment hired and controlled the man who shot and tried to kill Pope John Paul. Since the Bulgarian Communist Government has been so inconsistent and unresisting puppet of the Soviet Union, the clear implication is that the Soviet Union directed the assassination attempt against the Pope. Suzanne Garment has been so consistent and honest that she may ask Ms. Garment, "Do we deal with a regime that no longer fears to commit such a crime?"

Now, Mr. President, the Italian prosecution report makes this charge. What does this reveal that 95 percent of all Americans did not already know and understand about a communist government that through the years has consistently used any means to achieve its ends, and indeed declares to the world that the means—no matter how evil or vicious, violent or destructive—are justified by their end.

That end is the international supremacy of the Communist state. Soviet governments have lived by this warped dogma since they first seized power in Russia in 1917. So what is new?

What is new is that Ms. Garment quotes Kenneth Adelman, the Arms control and Disarmament Chief, as finding us in 1969, and then telling us to arm ourselves up on those who advocate arms control agreements with the Soviet Union. Here is the reaction Ms. Garment got from Adelman:

The Pope's story aroused no self-doubt in true arms controllers. They just keep repeating that we and the Soviets have a common stake in preventing nuclear war. But dialog doesn't moderate Soviet behavior. I've actually made up a chart for the years 1972 through 1979, showing how we keep talking to them and they keep right on doing unpleasant things. We sign SALT I and they ship new weapons to North Vietnam; we sign SALT II and they put a brigade in Cuba. And then we say, "What's wrong with our signal, which we've finally supposed to say "no"?"

If this reaction by the administration arms control chief means anything, it means that as long as Ronald Reagan is in power, we should write bills to arms control agreements with the Soviet Union.

Mr. President, read and ponder that statement by Mr. Adelman appointed as head of our Arms Control Agency and who still enjoys the President's support as his arms control spokesman, and then tell me that the administration believes in arms control. Oh sure, probably he believes that we can engage in arms control treaties with Canada or Switzerland.

The Governments of Canada and Switzerland are good and moral and when they make an agreement they live up to it. They are democracies. They are peace loving. They would react in horror to any plot to kill the Pope. But Canada and Switzerland are not nuclear superpowers. There is only one nuclear superpower—other than the United States. And like it or not that nuclear superpower is very possibly the power that is also responsible for shooting and trying to kill the Pope.

Mr. President, this Senator vigorously disagrees with arms control Director Adelman. I say: "yes, indeed." We certainly should try to negotiate arms control treaties with the Soviet Union. We should do so knowing that the Soviets will in the future, as they have in the past, surely violate the agreement any way they can, even if they cannot get away with it—If the violation is in their interest. Everybody knows we are not dealing with Mother Theresa when we deal with the Administration. We sign SALT II and they put a brigade in Cuba. We sign SALT III and they send new weapons to North Vietnam. We sign SALT II and they ship new weapons to North Vietnam.

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saying that the assassin was "controlled" for purposes of running drugs into Western Europe but shot the pope on his own.

Michael Ledeen, a foreign policy scholar and consultant to the State and Defense departments, became exposed as the Bulgarians. He expressed no surprise this week that parts of our government, including the Pentagon, are following the news about the pope. The trouble was not just ideological: Even some hawks had always doubted that the formidable Russians would not run an operation as inept as this one that wounded the pontiff.

For some time, he explained, our govern- ment has not been good at gathering the type of information crucial to this case. The shooting was characterized as a domestic mail which was monitored by the FBI and kept quiet. There was no conspiracy, but journalists will always denigrate a story that they feel already knew that. There was also an ideological component. The theory of Bulgari- an involvement had bloomed mainly in the Right-wing press. They realized the story in the eyes of establishment journalists. "They think it's a version of Red baiting, and that these editors are too sophisticated for such things," the magazine editor said.

Kenneth Adelman, head of the Arms Control and Disarmament Agency, has come across a lot of silence: "The pope story arouses no self-doubt in true arms contro- llers. They just keep repeating that we and the Soviets have a common stake in preven- ting nuclear war. But dialogue doesn't moderate Soviet behavior. I've actually seen many years ago through 1978, showing how we keep talking to them and they keep right on doing unpleasant things. We sign SALT I and they ship new missiles. We try to arm South Vietnam, we arm it. I, II, they put a brigade in Cuba. Are there any circumstances under which we're finally going to say no?"

Students of American foreign policy today all read the work by Roberta Wohlstetter telling us that America has got used to the impending Japanese attack on Pearl Harbor. The information was lost among too many messages and too much clever explaining away. So far, the Bulgar- ian story here is sinking like a stone, and we can see clearly how our foreign-policy elite's routine denials and assumptions conspire to keep it at the bottom of the lake.

PRESIDENT REAGAN DISREGARDS DANGERS OF DEFICIT

Mr. PROXMIRE. Mr. President, on another subject, a couple of weeks ago this Senator spoke on the Senate floor about the total eclipse of the Council of Economic Advisers. Since Martin Feldstein, the Chairman of the Coun- cil, resigned a couple of months ago, President Reagan has not only failed to nominate a successor, but he has failed to name an Acting Chairman. So the Council of Economic Advisers has one function. That function is to give economic advice. Only one person can speak with au- thority on behalf of the Council: Its Chairman. But what happens when there is no Chairman, and not even an Acting Chairman? No one can speak for the Council. The President had indicated he has no intention of naming a Chairman or an Acting Chairman until after the election. The Presi- dent's failure to name an Acting Chairman is virtual with this president. It means that for all intents and purposes the agency has been abol- ished. So where does the President go to get his economic advice? The Sep- tember 24 issue of Newsweek reports that the "closest thing to an economic adviser that President Reagan now has" is Edwin Meese. Now Meese is a lawyer, not an economist. So where else can he turn? I've actually interviewed him recently: "What is the nature of this supply-side guidance? They are telling the Presi- dent to forget about the views of the bulk of economists. They told the Presi- dent that the economy will grow, interest rates will fall, and the deficits will disappear without a tax hike or a spending re- duction. Newsweek reports that an ad- ministration official says the President is not convinced that anything has to be done about the mammoth deficits.

Let me repeat that. Newsweek re- ports that an administration official says that President is not convinced that anything has to be done about the mammoth deficits.

Now just stop and think that one over for a long time. Do you find that as disturbing as I do? We may have our critics, but the overwhelming majority of them argue that massive deficits of between $150 billion and $200 billion do matter. They can tell you that as much as they wish to go—down. They can tell you that the economy is not self-correcting. They will tell you that no one has repealed the business cycle, and that means we will probably have a recession in the next 2 or 3 years. They can tell you that when that recession comes, the deficit will go to $300 billion or $400 billion, or more. They will tell you that the only reasonable policy to reduce the budget is the painful old-fashioned way: less spending and increased taxes. They will tell you the budget deficit is so severe that we have no choice except to cut spending, raise taxes, and do both in a major and substantial way.

This is what a consensus of compe- tent economists would tell us. Our own common sense would tell us the same thing. All of us know we cannot run a federal budget in deficit, or a State by spending a great deal more than we take in year after year.

Now, how about that, Mr. President? Here we have the consensus of compe- tent economists agreeing that only the painful, unpopular medicine of both cutting spending and increasing taxes will bring our mammoth Federal defi- cits under control. We also have our own common sense tempered by all the experience of our lifetime telling us the same thing. Sometimes it seems that this happy coincidence does not occur very often. For once we have the professional economists and our own common sense on the same side.

So whether you believe that profes- sional economists can give useful advice to the President of the United States or whether you believe that common sense is the best guide, Presi- dent Reagan is making a serious mis- take that can have tragic conse- quences for this country in slapping a
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gag on the Council of Economic Advisers and getting his advice from the far-out supply siders.

I ask unanimous consent that the section of the above column from the September 24, 1984, issue of Newsweek, headlined "A New Portfolio for Meese" be printed in the Record.

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

A NEW PORTFOLIO FOR MEESEx

Embattled Attorney General-designate Edwin Meese III has quietly become the closest thing to an economic advisor that President Reagan now has. With Reagan pointedly declining to replace deficit-doom-sayer Martin Feldstein as chairman of the Council of Economic Advisers, Meese has filled the vacuum on an unofficial basis. He now functions as a back-channel conduit for the recommendations of influential supply-side thinkers such as Jude Laffer and former Treasury man Paul Craig Roberts. These and other conservative economists are reportedly arguing that all conventional analyses—including those of David Stockman of the Office of Management and Budget—are wrong, and that rapid economic growth and declining interest rates wipe out the federal deficit by the end of the decade without a tax rise or even spending cuts. Stockman's calculations project a $139 billion deficit. By 1988, the Congressional Budget Office foresees $263 billion worth of red ink. "But the president isn't really convinced that this is true," Mr. Meese says, according to the New York Times.

ALLEGED ATROCITIES IN INDONESIA

Mr. PROXMIRE. Mr. President, the August 30 issue of the Washington Post ran an article on alleged atrocities in Indonesia. Included in these allegations are cases of church burning, decapitation, and the raping of nuns.

The Government of Indonesia is allegedly carrying out horrendous acts in an attempt to discourage dissent in the country. Reprisals by the army are said to have forced over 11,000 people to flee Indonesia and seek refuge in neighboring New Guinea. These alleged acts are some of the most barbarous possible against humanity, and represent a pure, absolute, evil that is unacceptable in any society.

The United States has consistently spoken out against human rights violations throughout the world, and has consistently embraced humanitarian values at home. But, it is not enough to simply live up to our ideals. It is time we act positively and back the policies we espouse.

Mr. PROXMIRE. Mr. President, each year I send out a questionnaire to over 100,000 Wisconsin residents—initially favoring a survey following Wisconsin and take on the difficult questions of the day. On average I receive over 10,000 responses which is a statistically significant return that far overshadows the numerically smaller telephone surveys usually for national opinion polls.

These questionnaires have shown that attitudes have changed in Wisconsin over the years on several major issues. Take military spending for example. In 1979, 20 percent of the respondents favored increasing defense expenditures while 35 percent wanted a decrease. In 1982, 23 percent favored holding defense expenditures at the current level. That attitude changed dramatically by 1981 when 67 percent in favor on an increase compared to 11 percent on the decrease side. Then beginning in 1982 that mood began to shift again. The 67 percent in favor on an increase in 1981 dropped precipitously to 13 percent followed by 9 percent in 1984. Similarly the percentage supporting a decrease in military spending jumped from 11 percent in 1981 to 52 percent in 1982 and 58 percent in 1984.

This message is clear. Many citizens thought that U.S. defenses should be beefed up. But they disapprove of the magnitude of the increase under the Reagan administration and also they do not support the specific types of weapons being funded.

In the August 1984 poll, for example, by margins of about 63 percent to 37 percent, Wisconsin citizens rejected funding for the B-1B bomber, the MX missile and the President's Star Wars ABM plan. They also said we should not sell nuclear reactors or radioactive materials to the Peoples Republic of China nor should we provide them with military equipment.

With respect to aid, the proposed economic and military aid package to El Salvador was supported by only 24 percent of the respondents while 34 percent said no assistance should be provided and 36 percent said the President's request was too high. Almost 70 percent opposed the CIA sponsored war against Nicaragua and 64 percent said the intervention in Lebanon was a mistake. But 59 percent, on reflection, thought the intervention in Grenada was a necessary action.

Mr. President, the Racine Journal-Times editorial board saw this questionnaire, they decided to answer each issue themselves. In almost every case, the Journal-Times responses paralleled the statistical results from the questionnaire.

Mr. PROXMIRE. I ask, unanimously, that the questionnaire results and the Racine Journal-Times survey response be printed in the Record.

There being no objection, the material was ordered to be printed in the Record.

LAST MONTH'S QUESTIONNAIRE RESULTS

Don't send U.S. troops to El Salvador! The aid to that country is too high. Charge new fees and raise existing ones for use of federal land. Don't sell military equipment or nuclear reactors to the People's Republic of China. That's what about 10,000 of you told me loud and clear when I asked you in last month's questionnaire to be the Senator from Wisconsin.

A hefty majority of you opposed the B-1B bomber, the MX missile and the "Star Wars" proposal for a space-based, anti-ballistic missile system. A little over half of you thought that both the Soviet Union and the United States share the blame for the current standstill in arms control negotiations. And a whopping 96 percent think that spending on political campaigns is too high.

Here are the results, item by item, as you saw it.

1. The President has proposed that economic and military assistance to El Salvador be increased to a level of $422 million. Do you think this amount is: Too high, 36%. About Right, 54%. Too Little, 4%. Should provide no assistance, 34%.

2. Do you support the President's policy of conducting a CIA sponsored guerrilla war against the Nicaraguan government? Yes, 31%, No, 69%.

3. Should the United States send troops to fight in El Salvador if necessary to keep the government from collapsing there? Yes, 18%, No, 82%.

4. In retrospect, do you believe that sending of U.S. troops to Lebanon was: A mistake, 64%. A necessary action, 36%.

5. In retrospect, do you believe that the sending of U.S. troops to Afghanistan was: A mistake, 41%. A necessary action, 59%.

6. Arms control negotiations with the Soviet Union seem to be at a standstill. On whom do you place the blame for this? The U.S., 11%. The USSR, 33%. Both, 56%.
7. Do you believe the United States should sell military equipment to the Peoples Republic of China? Yes: 84%. No: 16%.
8. Do you think the United States should sell nuclear reactors and the radioactive materials to them to the Peoples Republic of China? Yes: 85%. No: 15%.
9. How do you stand on the funding of the following major weapons systems that have been so much in the news lately? B-1B bomber yes: 38%; no: 62%. MX missile yes: 37%; no: 63%. The "Star Wars" plan for a space based ABM yes: 36%; no: 64%.
10. In 1984, those running for political office at the national, state and local level will spend over $1 billion to pay for their campaign expenses. Based on your experience, do you think that spending on political campaigns is: 96%, too high; 1%, too low; 3%, about right.
11. Would you favor using a small amount of your taxes (about $1) to pay for a part of the cost of Federal political campaigns if, at the same time, Congress set strict limits on the contributions from special interests and on the overall amount of money candidates could spend? Yes: 73%. No: 24%.
12. In order to decrease the budget deficit and increase funds for recreation, the Reagan Administration has proposed charging fees for all camping on federal lands. Would you favor: a. charging fees for national parks? Yes: 67%; no: 33%. b. Charging fees for all camping on federal lands? Yes: 68%; no: 31%.
14. Would you favor: a. Continuing current law assessing dairy farmers 50 cents per hundred weight and then utilizing the funds derived from the assessments to help pay dairy farmers who voluntarily reduce their marketings? Yes: 35%; no: 64%.
16. Would you favor: a. Repealing casein imports as a means of partially utilizing our dairy surplus while also contributing to the health and nutrition of our children? Yes: 87%; no: 13%.

Question: The President has proposed that economic and military assistance to El Salvador be increased to $422 million. Is this too high, about right, too little, or should no assistance be provided? Response: Too high; the funds apparently would go to a despotic form of government involving terrorism and death squads aimed at repressing the people.
Question: Do you support the President's policy of conducting a CIA-sponsored guerrilla war against the Nicaraguan government? Response: No; it smacks of depriving citizens of that country of their right to self-determination of government.
Question: Should the United States send troops to fight in El Salvador if necessary to keep the government from collapsing there? Response: No; the United States should refrain from inflicting its will on other countries, especially if the desires of the U.S. are not the desires of other countries' citizens. We should have learned from Vietnam.
Question: In retrospect, do you believe that sending U.S. troops to Grenada was a mistake, or a necessary action? Response: A mistake; a serious strategic error and, considering the non-stable conditions of that country, the result should not have came as a great surprise.
Question: In retrospect, do you believe that sending U.S. troops to Grenada was a mistake, or a necessary action? Response: Although the idea of sending the troops was not generally favored in light of later tangible impacts from the attack of Grenada by powers unfriendly to the U.S., the military deployment appears to have beneficial action in order to protect this country's interests.
Question: Arms control negotiations with the Soviet Union should a be at a standstill. On whom do you primarily place the blame for this—the U.S. the USSR, or both? Response: Both; neither power appears to be sincerely interested in negotiating this hot potato, which points up an overwhelming lack of trust on the part of both countries.
Question: Do you believe the United States should sell military equipment to the Peoples Republic of China? Response: No; the sale of the money to be reaped, it is not in the best interest of the U.S. in the long run. The Chinese government uses this total area, these U.S. should not be responsible for adding to the potential of future military action.
Question: Do you think the United States should sell nuclear reactors and the radioactive materials to them to the Peoples Republic of China? Response: No; there is no real guarantee they would be limited to peaceful uses, rather than devoted to constructing nuclear armaments of destruction.
Question: How do you stand on the funding of the major weapons systems—the B-1B bomber, the MX missile, and the "Star Wars" plan for a space based ABM—that have been so much in the news lately? Response: Much further information would be helpful; the situation is not in a stage that an informed and definite stand could be developed.
Question: In 1984, those running for political office at the national, state and local level will spend over $1 billion to pay for their campaign expenses. . . . do you think that spending on political campaigns is too high, about right? Response: Too high; because the manner in which the funds are spent is not controlable. An honest presentation of a candidate's qualifications is needed, not hyperbole or rhetoric designed to camouflage the lies and interests behind the candidates in an effort to sway the voters.
Question: If, at the same time, Congress set strict limits on the contributions from special interests and on the overall amount of money candidates could spend? Would you favor using a small amount of your taxes (about $1) to pay for a part of the cost of Federal political campaigns if, at the same time, Congress set strict limits on the contributions from special interests and on the overall amount of money candidates could spend? Response: Yes; reducing the influence of special interest groups could only be good in that it would remove the "behavioral" aspect of elected officials, making them more responsible to the majority of the citizens they should represent.
Question: In order to decrease the budget deficit and increase funds for recreation, the Reagan Administration has proposed charging new fees and raising existing ones for use of federal lands. Would you favor: 1. Charging entrance fees for wilderness areas, wild and scenic rivers, national recreation areas and national trails? Yes: 59%; no: 41%.
2. Increasing entrance fees for national parks? Yes: 67%; no: 33%.
3. Charging fees for all camping on federal lands? Yes: 65%; no: 35%.
4. Charging entrance fees at national wildlife refuges? Yes: 61%; no: 39%.
5. Would you favor: a. Continuing current law assessing dairy farmers 50 cents per hundred weight and then utilizing the funds derived from the assessments to help pay dairy farmers who voluntarily reduce their marketings? Yes: 38%; no: 62%.
7. Would you favor: a. Repealing casein imports as a means of partially utilizing our dairy surplus while also contributing to the health and nutrition of our children? Yes: 87%; no: 13%.

FROM THE RACINE JOURNAL-TIMES, AUG. 26, 1984
PROXMIRE SEEKS ANSWERS
Wisconsin Sen. William Proxmire's Assemblymen, in his constituent's mail, took the form of a questionnaire, which Proxmire described as offering the voters of Wisconsin an opportunity to test the senator's attitude by asking him on how they view a number of controversial issues the nation is facing and how they would handle the problems. Proxmire sent the survey, in response to the survey, came up with these observations:

RUTINE MORNING BUSINESS
Mr. BAKER. Mr. President, I ask unanimous consent that the time for routine morning business be extended until 12:05 p.m. under the same terms and conditions.

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

ADULT ILLITERACY
Mr. LEAHY. Mr. President, one matter, little treated by the media in America, is the problem of adult illiteracy. It should be a mark of concern to us all in the Senate that in the wealthiest, most powerful Nation on Earth we have more than 25 million Americans functionally illiterate.
Because of this, the work of those who tutor adults is extremely important. I am proud of the work done by Vermont’s Adult Basic Education Program, which was recently described in an extensive article in Newsweek magazine.

The untold stories of those who selflessly put in uncounted hours to work with adults in Vermont and how much our State has gained from that. I am especially aware of the work done by my sister, Mary Leahy, in that program, and a brother’s natural pride is constantly increased as I watch her carry out such a vital and useful function in our society.

Mr. President, I ask unanimous consent that the full article from Newsweek be printed in the Record, as follows:

(From Newsweek, July 30, 1984)

ONE-ON-ONE AGAINST ILLITERACY

The moment of truth comes at different times. For Waldo Gllcrts, 47, a junior-high school dropout and construction worker in Vermont, it was when a plan to become an electrician was denied a promotion because he couldn’t handle some of the forms. Rose Patterson, also of Vermont, realized as a mother of two in her 30s that “children like to have stories read to them and I wasn’t much of a reader.” Mary Kay, of Brawley, Calif., who did not want to use her last name, faked her way through high school, got married, and had children, but had to face the truth when she got it into her head to become a famous romance writer. Even romance writers have to know how to read.

The problem that each of them confronted is both more common and less often recognized than either cocaine abuse or alcoholism. An estimated 26 million American adults, one in five, are functionally illiterate; they are incapable of reading everyday job applications, balancing a checkbook or decoding a newspaper headline. The problem touches on New York’s wealthy Westchester County just as it does the rural South, and it has a powerful ally in ignorance. “America can’t afford what it’s got,” said Rose Patterson, whose name went down in the record books last week.

Bette Penton, national director of a literacy campaign run by B. Dalton, the bookstore which the Governor's Council on Literacy has been working with, told me that all the agencies are just kicking sand in the tide. “We’re finding that all the agencies are just hitting the tip of the problem,” she says. “With students who can’t even write their own names still turning out students who are functionally illiterate, the number of illiterate adults tends to remain static.”

Both Laubach and LVA are part of the Coalition for Literacy, which draws together 11 national literacy groups under the auspices of the American Library Association. This fall the coalition will launch a nationwide media campaign to educate the public that the public badly needs more education. Jean Coleman of the coalition contends, however, that the national approach works only when targeting local action. “Although it is a national problem,” she says, “the solution lies in local community resources.”

Illiteracy, after all, is an intensely personal problem. The private burden can be heavy for people like California’s Mary Kay, who paid classmates to do her homework. But it is also a family problem with almost hereditary effects: illiterate adults cannot teach their children how to read, which in turn are likely to become poor learners. That is one of the reasons that Linda Tallman, who lives in the hills outside Elmore, Vt., decided to seek help. “I’m dropping out of school pregnant after the eighth grade, she now wants to become a mechanic—and a better mother. “My children aren’t going to quit school like I did,” she says. “I am divided. An article model by sitting down with a tutor every Thursday as her children look on. The program known as Laubach 360°, which he had to face the truth when he decided he needed to learn to read, he approached the tutor he had watched helping his daughters. Now he no longer has to guard the secret that was shared only by his wife, and he often proudly begins sentences with the phrase, “I was reading just the other day.”

GROWING CONCERN OVER INCREASED PCP USE

Mrs. HAWKINS. Mr. President, previously on these pages I have spoken of the special problems of the drug known as PCP. Additional information has since been released regarding this dangerous narcotic, and it seems that the situation continues to worsen.

In a recent Washington Times article, it is reported that use of PCP in the District of Columbia has increased to epidemic proportions. There were, for example, 311 reported cases of PCP sales, in 1983, arrests jumped to 1,040, and so far this year, arrests have increased 30 to 40 percent. Emergency room admissions for PCP abuse nearly doubled in the District of Columbia and in 1983 392 in 1982 to 535 in 1983. Prosecution for offenses involving PCP totaled 397 in 1982, 1,983 last year, and in the first 6 months of this year, 967 of these cases have already been brought to court.

This is all the more frightening because recent reported crime statistics in the District indicate a sharp drop in every category of serious crime, with the single exception of narcotics offenses. In this category, U.S. Attorney Joseph di Genova reports, “the news is not good.”

The most troublesome figures were found to be those involving PCP offenses. That drug, officials claim, regularly causes “unpredictable actions” and makes users “superstrong and very dangerous.” A PCP user’s “senses are distorted and the environment becomes a source of aggravation to him,” A Drug Enforcement Administration official states that at times “five large police officers are needed” to subdue a person under the influence of this drug.

Mr. President, use of any kind of “recreational” drug is dangerous and destructive, but the narcotic PCP seems to be the worst of all. And its current popularity makes it that much more dangerous. We must continue in our efforts to eradicate our youth from large part the users of this drug, to the dangers of PCP, and in our efforts to eliminate its production.

I ask unanimous consent that the article entitled “P C P Use Growing Prolif
There being no objection, the article was ordered to be printed in the RECORD, as follows:

**PCP USE GROWING PROBLEM**

(By Charles E. Wheelock)

As PCP use increases in the District, police are learning to cope with increasingly violent drug users who are aggravated by harsh lights and loud noises and often require at least five police officers to restrain them.

"It is not an overstatement to say that PCP and drug users in the District are at an epidemic level in the District of Columbia," said the District's Assistant Chief of Police Marty Tassop, a speaker at a workshop yesterday at Catholic University.

Strategies for handling the epidemic-level abuse of deadly PCP were the focus of the meeting attended by about 400 human service and criminal justice professionals.

"There are 300 to 300 young people standing on corners in the District at any one time buying drugs," he said.

Sixteen District residents died with PCP in their systems in 1982, and 64 in 1983, he said.

PCP, which was originally tested as an anesthetic in the late 1950s, causes "unpredictable actions," and makes users "super-strong and very dangerous," said Chief Tassop.

In 1983, there were 310 arrests for the sale of PCP. In 1983, arrests jumped to 1,040, Chief Tassop said.

Arrests so far this year already have increased 30 percent to 40 percent, he said.

A PCP user's "senses are distorted and the environment becomes a source of aggravation," said Thomas M. Browne of the Drug Enforcement Administration.

Other aggravation for a PCP user might be "a flash in the eye, a loud radio sound in a police car, crowds, flashing lights on a police car, body searches or loud and aggressive questioning," he said.

Anyone who suspects they are dealing with a person high on PCP should "back off and observe from a distance," he said.

A PCP user may be an agitated PCP user with a blanket "useful, but if that doesn't work, turn on your heel and run," Mr. Browne said.

"Five large police officers are needed to subdue a person high on PCP," he said.

"We noticed a new clientele with a different behavior starting in 1975," said James B. Hendricks, of Second Genesis Inc., a drug abuse treatment facility.

"He looks just like a zombie, he's not responding, he belongs on a mental ward," Mr. Hendricks said.

"From a treatment point of view, it is an insidious problem," said Lonnie Mitchell, administrator of the District's Alcohol and Drug Abuse Administration.

While emergency room admissions for heroin overdose dropped from 874 in 1982 to 81 in 1983, percent for PCP abuse nearly doubled from 292 in 1982 to 535 in 1983, Mr. Mitchell said.

The emergency room can be a dangerous place for medical personnel because uniforms set them off.

**THE EXPLODING POPULATION GROWTH IN THIRD WORLD COUNTRIES**

Mr. PERCY. Mr. President, the Christian Science Monitor recently featured a series of five excellent articles by David K. Willis about exploding population growth in Third World countries. One cannot read these articles without being impressed by the awesome dimensions of the problem and, one hopes, without gaining an understanding of the urgent need for assistance to countries grappling with this problem.

To illustrate, I cite the following brief excerpts from the series:

The already overcrowded third world—Asia, Africa, and Latin America, where some 3.6 billion people, or three-quarters of the planet's population, are crammed into less than one third of the world's land mass—is still adding so many people at such a dangerous speed that the quality of life there is seriously threatened.


By 1990 the globe will be adding another 7 billion people, a rate that means 260,000 daily, or some 10,417 new people every hour.

The population in the third world alone, said Richard Long, is expected to soar to 5 billion by the year 2000 (more than the entire population of the world today) and to 7 billion by 2010.

Already about half of the third world is aged 16 or less. Forty percent (1.4 billion) is under 14. These youngsters will soon be bearing children and looking for jobs.

It took Europe hundreds of years to achieve the kind of growth that is occurring in the third world today. When Europe was building the factories of its industrial revolution, its population was growing at about 1.5 percent a year. It had wide open spaces of land, and those who wanted to emigrate had the world to choose from.

Today, large-scale emigration from the third world is simply not possible: Habitable places in the developed world are crowded too. Fertile land is at a premium.

Nonetheless, the United Nations Fund for Population Activities (UNFPA) in New York is able to point to some encouraging progress since the first World Population Conference in Bucharest, Romania, in 1974.

Many of the poorer countries have learned that they can control the size of their families and have done so.

Some 85 countries, developing the world, containing 95 percent of its population, now provide some kind of public support to family planning programs.

China, India, Indonesia, Thailand, Sri Lanka, Tunisia, Mexico, and some other countries have linked economic development, literacy, jobs, and marriage laws for women with family-planning programs.

"Yet the distance we have to go is much further than the distance we have come," says an experienced economist.

Excluding China, the third world is still expanding at the rate of 2.4 percent a year: "Africa, Asia, and Latin America add 2.5 percent for the next 100 years, by the year 2100 the third world alone will contain 6 billion people," says Dr. Thomas Perenyi, Princeton economist Professor and demographer.

Ridiculous? US officials point to growth rates already higher than 2.5 percent in key areas today: West and East Africa (above 3
per cent a year, Central America (2.8 per cent), Mexico (2.2 percent).

Dr. Coale doesn't agree—"but more people will live in poverty," he says, "and there'll be a shameful lack of progress."

Growth rates in the third world excluding China have actually edged up since 1975.

Raphael Salas of the Philippines, the veteran executive director of the UNFPA, hopes that world population might stabilize around the year 2100 at 10.2 billion.

Other, more pessimistic demographers say the world simply won't be able to sustain unchecked growth. Death rates would have to rise, they say, either through famine or wars for resources.

The average family in the Western world has two children. In the third world it has 4.4. Excluding China, it has 5.1. In Kenya, which is growing faster than any other country in the world, the average family has eight children.

"Population" and "family planning" and "development" are all buzz words that tend to sound remote and dull.

In uncrowded North America, Europe, and Australasia, populations are getting older, not younger. Growth rates are low (0.9 per cent in the US, for example).

Yet what is at issue in the third world is far from abstract. The issue is individual lives and decisions.

How many children to have is hardly a full question.

It involves what people think, and know, about their entire lives—beliefs, values, and traditions as well as health, jobs, and prospects.

Ultimate answers must tackle all these areas, including, but ranging wider than, contraception of any kind.

Men and women need access to new information and opportunities before they can decide to have children.

In Africa, tribal families have eight or more children per family because death rates are still high. Fathers want sons to work their land when they are their old age; Female infants are still drowned (in part of China) or starved (in parts of India). In too many countries, the status of women is still low.

Each country has to find its own ways to tell men and women about the benefits of smaller families, and to offer them a choice.

There is no single panacea.

On one level, long-term answers must include faster economic development, more schools, more jobs, more housing, higher incomes.

Short-term solutions include expanded, more efficient, and more sustained health and voluntary family planning polices.

On a deeper level, the need is to encourage fundamental changes in thought—the kind of awakenings that lead from ignorance to shifts in the ways rich and poor people see their own identities.

The task is finding ways to overcome fear—of illness, of old age, of a seeming lack of virility among men if children are few. In Africa, men and women who want contraception may be tempted into promiscuity.

Raphael Salas of the UNFPA put it this way in an interview in New York:

"The ultimate resource of the human mind. We need the type of education that makes citizens of the third world think like people in the developed world — the opposition to having too many children and to treat them like human beings."

"Unless the rate of world population growth averts markedly," says Lester R. Brown of the Worldwatch Institute in Washington, "improving the human condition as a whole will be difficult."

China, (pop.: 1.05 billion), has taken the most radical and controversial step to counter overpopulation so far: enforced limitation of most families in an entire nation to a single child.

"If you Americans had 1 billion people and were growing at the rate of 2 percent a year as we were, you'd do something too," said Mrs. He Li-Lian, a diplomat, defending such drastic measures in an interview in New York.

"Our policy is only for two decades...and since 1982 we've got our growth rate down to 1.1 percent. Our people understand...my daughter understands...individual and national interests must be balanced," she said.

The Chinese method is an extreme example of government control over individual behavior. It involves forced sterilization of women, enforced abortions, sometimes in advanced stages of pregnancy, some enforced sterilizations, and temporary sterilizations.

The Indian program, the oldest in the third world, has been voluntary, except for a brief period in the mid-1970s when overzealous doctors sterilized some 2,000 men against their will.

The main method in India (pop.: 747 million) has been sterilization of women after they have had four or five children. This accounts for about 85 percent of all Indian contraception so far.

But only 26 percent of adults between the ages of 15 and 49 practice contraception. The official goal is 80 percent by the year 2000. (Now India is about to join with the U.S. Agency for International Development to market contraceptives through a semiprivate organization.)

If the goal is to be reached, younger mothers need to use artificial birth control to space their children more widely before considering sterilization.

Saroj Bala, who lives in the hillside Delhi slum of Anand Parbat, is just the kind of woman the Indian government wants to reach—but so far, she is a tiny minority. She and her husband together made the decision to use contraception.

Mrs. Saroj says, "I'm only 22, and I'm using an IUD. I want to be able to educate our children properly and feed them."

Mrs. Neneng, in Jakarta's Taman Sari quarter, is part of a successful Indonesian program to change thought about family size. The county now numbers 160 million people and is expected to grow to 204.5 million by 2000 (and to 285.3 million only 25 years later).

Indonesia stresses literacy, out-of-the-village health care centers, nonmonetary incentives, public recognition, and medals for long-term family planning users. It also has an innovative, creative government information program, supported by President Shuwarto himself and carefully designed to include and persuade local Muslim leaders.

Indonesia's growth rate is down to 1.8 percent a year, below the Southeast Asian average of 2.1.

Worrying the experts most is Africa, whose population is already 938.6 million.

"The ultimate resource is the African population," says Dr. Coale. "It has the fastest growth rate of any continent in history, and the fastest physical deterioration—deserts spreading, forests dwindled, land overgrazed," says Lester R. Brown.

"Asia has had its green revolution in agriculture, but Africa is slowly losing the ability to feed itself."

Overpopulation, tribal rivalries, and widespread polygamy, together with the current drought south of the Sahara, primitive farming methods, and thin soil mean that 22 countries now face starvation, according to the UN Food and Agriculture Organization in Rome.

A powerful group of "pro-life," antilaboration lobbying organizations, however, in the U.S.—the biggest donor of family planning aid in the world—denies that there is a population crisis.

The group sees people as the globe's ultimate resource, demanding abortion as a sin. It looks to private industry to provide what it calls the best contraceptive of the "new economic development based on capitalism."

These views are on the far right of U.S. politics. The Reagan White House in an election year—the Mexico City conference is being held just before the Republican Party convention—called it a philosophy that reduces U.S. funds to private groups which finance any programs abroad that in any way promote contraception. The new White House position at Mexico City—stressing economic development over family planning—comes as a dramatic change, creating the third world to tell its people about family planning.

The group lobbied hard (and successfully) for the US delegation to Mexico City to be led by staunch Roman Catholic antilaborationist, James Buckley, former Republican senator from New York.

"It is a disgrace and the US will be a laughing stock," says Dr. Sharon L. Camp, president of the American Academv of Political Population Crisis Committee in Washington.

"We are very pleased," says Judie Brown, president of the Washington-based Population Crisis Committee in New York.

"And the UNFPA is confident its own contributions from the US will be untroubled, but a question mark now hangs over one-quarter of the 500 million annual budget of the International Planned Parenthood Federation in London. The 25 percent is provided by the US Agency for International Development.

Prominent in the Washington lobby group is Prof. Julian L. Simon of the University of Maryland at Baltimore.

"No, I don't see a population crisis at all," he says. "The ultimate resource is the human spirit, which means people." In the short run, he adds, more people are a burden: They need to be fed and clothed. In the long run, however, they are a benefit.

The way to boost food production, Simon argues, is to give people land and information about the latest methods, then "leave the rest to the market." He blames ineffective U.S. and world governments for mismanaging food supplies.

"Who are we to tell other countries what to do?" he asks.

Judie Brown adds, "We should be educating people how to better cloth and feed
In the World Development Report 1984, the World Bank discerns "important truths" in the views of both population experts and family planning officials. The World Bank calls for intensified family-planning programs to ameliorate development problems which seem to be arising from rapid population growth.

The need for family planning is evident from even brief visits to villages and slums. In villages with more than 50 men and women in slums and villages in eight countries indicate that many would have fewer children if they could.

In the vast Mexico City slum of Netzahualcoyotl, where 4 million people exist on unpaved streets amid uncollected garbage, Señora Jiminez and her two sons, says: "Yes, it bothers me to disagree with the Church. But to see children born unwanted, and growing up suffering, bothers me even more."

Mrs. Ugalde runs a fly-ridden meat stall in a market with her husband. She practices contraception. "Abortion is wrong," she said. "I agree with that. So it's much better to prevent conception in the first place."

[From the Christian Science Monitor, Aug. 7, 1984]

PART 2—THE SUPERCITIES—PEOPLE, PEOPLE, PEOPLE

MEXICO CITY—The morning air sparkles over the sunlit Gulf of Mexico but thickens with grayish smog even on a Sunday morning as beatings swing over the long valley where Mexico City lies.

For what seems an age, one flies over the ocean of pale, concrete urban sprawl that is covered with more slums and villages. In one slum, Netzahualcoyotl, 4 million people breath air polluted on polluted streets. The population of the entire city is 17 million.

Every day some 1,100 rural Mexicans trek into slums such as Netzeta, as it is called, and from there into slums such as Netza, as it is called, looking for work.

"If the peasants can read, they become domesticas," says Gloria Lopes Paz, mother of four, as a daughter hauls rainwater from a well to wash clothes.

In the ocean of pale concrete urban sprawl that is covered with thousands of square miles of slums such as Netzahualcoyotl, 4 million people exist on unpaved streets amid uncollected garbage, Señora Jiminez and her two sons, says: "Yes, it bothers me to disagree with the Church. But to see children born unwanted, and growing up suffering, bothers me even more."

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[From the Christian Science Monitor, Aug. 7, 1984]
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Malaysia, Morocco, Nigeria, and Syria, the labor force is expected to double between now and the end of the century. Jobs depend on oil and manufacturing industries as well as on government offices and projects. A number of presidential advisors in Washington say that private industry should be given free jobs. Third-world officials say it isn't that easy.

"Your Reagan administration tells us to develop our own labor, not to expect too much foreign aid," Emil Salim, Indonesia's minister for population and environment, says. "So we use our low-salary workforce to get into textiles—and you put such high import duties on our products that we cannot sell them to you."

We don't have the roads, power, telephones, or schools to attract enough of your private investment, which perfers Europe.

Mr. Salim and many others in the third world see one effective answer to city and development problems: proper family planning. Smaller families would reduce the population growth that is diverting money to welfare services that might otherwise develop economies and per capita income.

"But not only are officials in the White House are saying that family planning is not as important as development," Mr. Salim says, referring to a draft statement leaked in June, proposing to reverse US priorities for family-planning aid.

If jobs are not found, the flow of emigrants, legal and illegal, to the US will grow. Western diplomats in Mexico City say.

Estimates of illegal Mexicans now in the US range from 2 million to 12 million. Congress is concerned enough to pass versions of the so-called Massoll bill making it illegal to hire such aliens.

CRIME

"You see," says Marshall Green, a State Department consultant on population and a former ambassador. "these are not cities like the ones we know.

"Half the people in them are under 16. They are restless and volatile. They don't go to school. They roam in gangs. They can't find jobs and they drift into crime."

Police forces are not coping well enough in Lagos, Cairo, Bombay, Calcutta, or Delhi. The situation is ripe for exploitation: "Extremism and crime fed by age-old hump aluminum overcrowding," says an adviser to President Hoeni Mubarak in Cairo.

Sri Lanka, outwardly serene, sees a rising crime rate that Brig. Dennis Hupugalle attributes largely to immigrants from the countryside.

Jakarta and Rio are both seeing crime rates jump. Citizens in some areas have formed vigilante squads to protect themselves.

FOOD

The so-called green revolution has taken hold in Asia, producing new strains of rice and other crops. Yet Africa, with poorer soil and primitive farming methods, lags behind. By 1980, third-world countries as a whole were spending $19.5 billion a year to import grain.

Cities in northeast Brazil, in the Andes countries of Bolivia, Peru, Chile, and Ecuador, in Central Africa, and in some small countries in the easternmost belt have all begun to see food supplies dwindle under the weight of numbers and badly managed farming.

Africa represents the most tragic prospect of all, worsened by the current sub-Saharan drought. Food supplies per head of population are falling, and UN figures show 145 million of 222 million inhabitants starved.

In a private clinic 90 miles north of Nablus, Magdalena Njeri worries: "In my village," she says, "people are hungry because of the drought. People like me see the problems of having too many children now."

Mrs. Njeri has had eight children since 1966. She now takes contraceptive injections.

"If world population was increasing at 1 percent a year instead of almost 2 percent, there would still be ample margin for improving diets, as there was from 1950 to 1973," says Lester R. Brown of the World Watch Institute in Washington.

But force to curb about level with population growth. In Africa it is lagging behind.

What about food aid? It has been falling: US aid reached 15 million tons in 1965 (enough to feed 90 million people. Mr. Brown says). By 1982, however, it had dropped to 6 million tons.

What else can be done?

One answer is to step up information about family planning in urban slums.

Even in India, where 75 percent of people live in the country's 550,000 villages, the number of family planning clinics has remained small. In New Delhi, a branch of the private Family Planning Association of India, says the aim now is to contact young urban mothers to show them how to go about their task.

Another method is to build new cities, or develop smaller ones, all with new jobs, to divert peasants from major cities. But this takes time.

Egypt has begun work on 10 new cities. The first one, called "Tenth of Ramadan," was started in 1977. Since then Cairo has doubled in size. After seven years of construction, progress is slow: only 5,800 people actually live there, according to engineer Hassan Rashidi. Most workers for the 80 factories now operating are driven to and from work by bus. Mr. Rashidi expects 150,000 will live in the city by 1988, and 500,000 by the year 2000.

In China, one plan would develop existing market towns of 100,000 people. And to locate more industries close to raw materials.

In India, some private industry is active: The huge Tata Iron and Steel Works in Jamshedpur, northern India, runs competitions between departments to see which can process the fewer children in one year. Program Chief Dhruba Dey says a trophy is to be awarded.

OVERCROWDING: THE IMPACT AND THE RISKS

By David K. Willis

Think, for a moment, about this: Last year the normally quiet and undemonstrative people of Assam, in northern India, suddenly rose up against poor, newly arrived immigrants from teeming Bangladesh to the south. The newcomers came looking for jobs in Assam's oil fields and tea plantations. Five million had come before them but Assamese patience snapped. About 3,000 people were killed.

A few years earlier, the Soviet Union ordered a mass eviction of Chinese from Vietnam, amid much bitterness and tension.

Not long ago, the government of Africa's most populous country, Nigeria (92 million) summarily ordered out tens of thousands of Ghanaian workers. The rest of the world watched as the workers lined up at their own frontier for days before it opened. Mothers and children lugged suitcases and radios. Others tried to bribe their way out on ships.

After an attempted coup in Indonesia in 1983, young Muslims started a rampage against suspected communists. No one knows how many died, but the United Nations estimates 300,000, "plus or minus 200,000."

A 1969 World Cup soccer match between El Salvador and Honduras escalated into war.

All these events had one thing in common: According to on-scene observers, a strong contributng factor was overcrowding—the pressure of too many people jammed together in miserable conditions.

In separate interviews, neither Robert S. McNamara, former World Bank chief and U.S. secretary of defense, nor Dr. Sharon Camp, vice president of the Private Population Crisis Committee, argued that overcrowding was entirely to blame.

Both stress that the causes of violence and unrest are complex and varied.

But both—together with other sources—insist that there is a definite link between rapid population growth and tension and violence, both within and between families, communities and countries.

"A very substantial contribution to unrest is made by imbalance in economic and political advances and resources on the one hand, and rates of population growth on the other," is how Mr. McNamara puts it.

"I don't say that over-population is the primary cause of instability, tension, and violence," says Dr. Camp. "I do say that rapid population is an underlying, intensifying cause."

Adds Marshall Green, former US ambassador to Indonesia and currently a population consultant to the State Department: "Excessive population growth combines with other factors to cause instability in a number of ways. Since the US is usually associated with the status quo, the existing order, around the world, it has much to lose. It has major security interests in a string of countries with high growth rates: South Korea, the Philippines, Indonesia, Thailand, India, Pakistan, Egypt, Turkey, Mexico.

"And remember: the George Ball Commission included overcrowding in south Tehran as one of three major factors behind the collapse of the Shah in 1979. The other two were over-rapid industrialisation and corruption."

In Mexico City, Western diplomats think this rate is fueled by a lack at the five small, desperately poor countries in Central America which generate daily headlines about unrest and revolution.

In 1960, Central America held 11.2 million people, and the US virtually ignored it. Today it bulges with 22 million, is growing at the rapid rate of 3 percent a year—and Washington is preoccupied with it.

Central American families have an average of six children each. Death rates have fallen dramatically. Predictions point to 40 or 50 million people locked into tiny areas of arable land by the year 2010. Half the region in under 15 years of age.

Moreover, the most volatile group in the population—the one aged between 15 and 29, accounting for 40 million in 1950 has leaped to 2.3 million today and is estimated to hit 5 million in 2010 unless growth rates fall.

A 1972 survey of 1 million young Central Americans look for New Jobs each year. But those jobs are scarcer and scarcer as poverty and conflict continues in Nicaragua and El Salvador.
The result, according to the Kissinger Commission, is "a problem of awesome—and explosive—dimensions."

The Futures Group in Washington, DC, studied the population impact of overpopulation and economic and social development. It sees as one result of overcrowding in Central America and southern Mexico a "bright line" northward into Mexico and the US. A potential flow of 100,000 a year is a "distinct possibility," the group told the Kissinger Commission.

A veteran Western diplomat in Mexico comments: "Mexico adds 2 million people every year. Brazil adds 3 million. Both countries owe colossal debts. You can't tell me that doesn't add up to a security problem for the US."

Brazil, the diplomat says, added 20 million people in the decade to 1980—equivalent to another Argentina. The chief of staff of the Brazilian armed forces is reported to have named population growth as the biggest threat to Brazil's internal security.

Those who reject the very concept of a world population crisis also disagree with the McNamara, Camp, and Green views.

Prof. Julian L. Simon of the University of Maryland observes that there is a leader of the right-to-life lobby in the US and a senior fellow at the Heritage Foundation in Washington, DC. He has written a book called "The Ultimate Resource" which says that the world needs more people, not less. He is also co-editor of a recent Hudson Institute study called "The Population Time Bomb."

"I absolutely reject the idea that overpopulation leads to war," he said in an interview. "One doesn't think of a factor. . . . It simply doesn't happen that one group of people has children and sets out to attack another group next door for more space.

"Mr. Simon offered no detailed analysis, but dismissed those who link overpopulation and wars."

Replies Mr. McNamara: "People who take such (Simon) views cannot have been in Bangladesh, where 80 million people lived in 1980 in an area about the size of Wisconsin. Two-thirds of the country is either flooded or arid, depending on the time of year."

"By the year 2000, 187 million people will live there. By 2025, 40 years from now, the population will be 260 million. Life is hell for 60 to 70 percent of the people there now."

Mr. McNamara illustrated his concern in an article in the current Foreign Affairs quoted by Mr. Simon. He mailed out 15,000 copies and arranged to have more distributed at the UN Population Conference in Mexico City. Among the arguments which worry him: "National programs of coercion" such as the current Chinese drive to limit family size to a single child. Rising growth rates, he thinks, are a major contributor to more authoritarian government and to a movement away from "democratic structures."

He cited "practically increasing rates of abortion and female infanticide which he says even the Chinese press is acknowledging. All this, he says, increases tension in families and thus sows the seed of wider frictions in societies.

Other authorities who link rapid growth and violence take these points:

"Such growth worsens unemployment. It swells up economic gains. It makes the task of governing harder and harder. It widens the gap between rich and poor within and between countries. It balloons illegal migration across borders. Guatemalans and Salvadorans emigrating to Southern Mexico, for instance, and millions of Mexicans finding jobs in the US.

"Over rapid growth also breeds crime and tension in third-world slums: "The last comment is linked to a late President Carter's. Mr. Anwar Sadat was about overcrowding in Cairo," says Ambassador Green.

"The ambassador sees third-world cities as "the forcing bed of extremism." One of Egypt's closest friends on extremism, Dr. Saad Ebrahim of the American University in Cairo, says that young Muslim fundamentalists tend to be recent arrivals in slums from rural areas. Rootless and adrift, they are susceptible to extremist ideas.

In Cairo, the police academy recently held a seminar on the links between overpopulation and security. "Communists, Islamic extremists, and sabotage groups all find it easier to work where population density is high," says Dr. Maher Mahrain, population adviser to President Hosni Mubarak. In two pockets in Cairo, density is said to be about 190,000 people per square kilometer.

In Jakarta, Emil Salim, an Indonesian Cabinet minister says, "The world will not stop growing. Look at our Java. If its population reaches 150 million by the year 2000, People will be forced to move to the eastern part of Borneo, where languages and religions are different!"

"When the rural poor come to the cities," says Dr. Pradita Dewi of Hyderabad, India, a physician with years of experience in the population field, "they see what is invisible in their villages: greed, which is our curse of their reach. This is particularly true when they find work as domestics servants."

To observers such as the Worldwatch Institute's Lester E. Brown, the litmus test is food supplies. "Look at the food riots in recent years," Mr. Brown says. "Supermarket located in the Dominican Republic, in Rio, and in Sao Paulo. Overpopulation is a large factor."

Even before the current drought in sub-Saharan Africa, almost one African in every four was being fed by imported grain: 130 million out of a total population of 336 million.

Now, grain production in Africa has begun to plummet, surpassing the fastest population growth rates in history along with a lack of investment in agriculture, and an overexploitation of poor soil.

Between 1970 and 1982, African grain production fell 12 percent. In 1983 alone output fell another 14 percent, and the UN Food and Agriculture Organization says 22 countries are facing famine.

Meanwhile, the third world as a whole by 1980 was spending more money importing arms ($19.5 billion) than on importing grain ($240 million. Since 1974 no funds are permitted to go directly to any country with family-planning programs which include abortion. The White House this year has added that no funds may go indirectly via international voluntary groups.

The SRI Lankan government offers the considerable incentive of 500 rupees ($25) for every man and woman who chooses sterilization. Presidential adviser Dr. Wickremesinghe in Colombo denies this represents coerotion. He calls it compensation for the loss of offspring and the pressure of operating. The government, he says, has to match private tea plantations offering 700 rupees ($34) to each worker.

Incentives are part of China's campaign to limit its population to 1.2 billion by 2000. One-child families receive priority in housing, child and health care. In some communes one-child parents receive bonuses equal to one-third their annual wages, and an annual plot of land.

India is experimenting with similar incentives in some states.

Indonesia on the other hand has rejected monetary incentives for abuy. Meanwhile, many experts stress that the answer to overcrowding and unrest lie in a combination of other fields such as more schools, better health care, and ways to enhance the status of women.

EDUCATION: FACTS FOR THIRD-WORLD WOMEN (By David K. Willis)

Bright skeins of wool scattered beside them, two village women work intently at a Japanese knitting machine in a small room in the village of Kafri-Tesfa, 30 miles north of Cairo.

Taking shape on the machine is a green dress with red and white trim. Aziza Gameleh and Mustapha hardly glance up as visitors enter.

They are too busy making dresses, sweatshirts, and caps to sell to the rest of the village.

The clanking machine represents far more than clothes, however: It is the first step for both young women out of their traditional,
rural roles as wives and mothers toward modest earning power, and self-respect.

In a shed outside, the first of 2,000 chicken fuses and feed in new wire cages imported from the National Chicken Co in Lagos.

Both dresses and chickens are part of a bigger effort throughout the third world to widen women's roles in caring and the collecting and preparing of food.

"As women get out of the home and find jobs," says Nafis Sadik, assistant executive director of the United Nations Fund for Population Activities in New York, "both infant mortality and fertility (number of children a mother has during her lifetime) fall."

After questioning almost 350,000 women in 42 developing countries between 1972 and 1984, the UNFPA-supported World Fertility Survey concluded that in general, married women who worked outside the home as such smaller families than those who did not.

Isolating 20 countries, one study by World Fertility Survey shows a drop in family size from 4.9 children to 4.2 among women with jobs.

The modest knitting and chicken projects in Kafr-Tesfa have started, she says, and women are reported by Egyptian government population planners eager to achieve two goals.

The first is to give rural mothers like Aziza and Samia interests outside the home. The average Egyptian family still has five children.

The second is to make Egypt's Azisas and Samias happier in the village, so they won't join the flood of rural migrants to Cairo, where 75 percent of the population lives. Women already fight for space in an ancient city designed for 2.5 million.

Jobs are not all that is needed, of course. Education is essential—and government planners mix finance for village industries with efforts to provide contraceptive advice and maternal and child health services is needed.

They want more and more women to be able to choose family planning if they want it.

As women get out of the home, they are better able to choose better educational opportunities for their own children.

Across Egypt, the rural jobs program now includes 2,615 separate villages with a population of about 15 million, says chief, Muhammad Abdelsalam Salem.

Critics, however, say that Egypt lacks the funds to provide enough jobs in enough villages to meet the needs of the 100,000 extra people a month. Much more emphasis on family-planning services is needed as well.

"Many women are still scared to speak up," says the UNFPA's Nafis Sadik. "Herself a Muslim, she adds, "Muslim women are even more scared to speak up."

They shouldn't, she believes. Islam actually gives women many rights. We must find ways now to encourage the women not only to seek health care for themselves and their children, but to go out and win new jobs.

Literacy and education are also vital in freeing women from the drudgery of village and slum life.

In Pakistan, as in Egypt, the illiteracy rate among Muslim village women is above 95 percent. Women's status is low, and birthrates are high.

Pakistan's population of 98.9 million will reach 143.5 million by 2000 and 212.8 million by 40 years from now, according to UN estimates.

The average family still has six children, and more than half the country is under 14 years of age. Yet the government of President Zia is only beginning to talk about a serious effort to spread the ideas of family planning. Yet, some scattered signs of progress are visible, especially in Pakistan's cities.

In a former supermarket building in Karachi, 400 girls who have graduated from high schools clusters in neat uniforms around long tables learning how to repair television sets, build small electric motors, solder circuit boards, draft architectural plans, and use sophisticated surveying equipment.

Aflakuzzia, from North Karachi, machine a door bolt. "What I really like is electronics," she says softly, "and that's the field I want to work in."

To enter this government-supported girls' vocational school, she passed an examination in her final year of high school. The training will take three years. Her sister is married, but she herself wants to get a good job first.

School director Shaheena an-Sari says her first class of graduating students should find jobs in April. It's not easy to earn above-average salaries of 1,500 to 2,000 rupees ($105 to $140) a month.

Other vocational schools are in Lahore, Peshawar, and Peshawar.

The islands of Indonesia are also Muslim, but present a very different picture. Literacy rates among women there are about 65 percent higher than in Pakistan (under 10 percent in the villages) and in India (25 percent).

One result: 58 percent of couples between the ages of 15 and 49 use contraception in Indonesia (the rate is nearly 70 percent in parts of Java) compared to Pakistan's over-all acceptance rate of less than 10 percent.

Indonesian women have also enjoyed higher status than women in Arab nations and the subcontinent, "He says softly, "and have a large role in selling rice as well as planting and harvesting it. They wield strong influence in homes. One area of West Sumatra is matriarchal, with inheritance descending through the female line.

The family-planning coordination body plans to make contraceptive pills available in Indonesia after its 1986 population survey. Meanwhile, it has trained women health workers in the villages. In turn, they have gained the confidence of the families they work with.

Siti Nurasya is married to a chauffeur and lives in a slum area of Jakarta. She practices birth control, and her youngest daughter is 14, which now gives her time for outside interests.

"I've joined PKK (a national women's group)," she says, "and I work as leader of a group visiting other families to tell them about family planning as well."

"More educated women tend to marry later, to be employed outside the home, and to practice contraception effectively," according to the findings of the World Fertility Survey.

This is illustrated in Sri Lanka where the literacy rate for women is up around 60 percent.

Young women now marry as late as 24, and men at 28. One result: More than half of all cases involving 15 and 49 use some form of contraception. And almost half of those who do, prefer traditional, natural methods other than artificial devices.

The average family in Sri Lanka (population 16.1 million, due to rise to 20.8 million by the year 2000) now contains only three children.

For Nalani Sendanayake, sharp and quick in a spotless white sarei, full primary and secondary schooling has meant all kinds of benefits in her Sri Lankan village of Bo-}

The village is at the end of a red-earth road in countryside green with rice fields, coconut groves, and scattered rows of rubber trees. Mrs. Sendanayake's education allows her to work part-time in local branch post office, and to work with the private Family Planning Association.

Assigned to talk to 14 families in the village, she says 10 of them have adopted family planning.

Meanwhile she has helped the village organize to dig a much-needed well, and to construct 10 new latrines.

Mrs. Sendanayake says she has a three-year-old daughter and intends to have only two more children.

"We can't afford more," she says.

Several miles away in another village tucked into a mountainside, Nalini Hettiarachchi says she wished she had known about family planning when she was younger. Instead, she began using pills only after her first child was 14 years old. Today: The other children are 28, 27, 25, and 21.

She is delighted that three of her daughters have limited their own families: Two have two children each and one has one.

UNICEF executive and writer Tasree Vitachi (herself a Sri Lankan) sums up the situation in the Philippines: "After 'one for all, two for each' there is a 15 years of free education, countries are transformed. Girls decide whether, when, and whom to marry."

In Africa, women are held back by a lack of education which allows tribal lore, polygamy, superstition, and inertia to rule.

The birth rate in Kenya is the highest in the world—more than 4 percent a year. (The U.S. growth rate by comparison is 0.9 percent.)

The Kenyan government says the literacy rate is almost 50 percent, but Westerners in Nairobi see that figure as more hopeful than accurate.

One woman interviewed in Nyeri had a son at age 13. Another, Teresa Wangeci, was 34 years old and had seven children. She declined to take contraceptive pills for herself or her husband, who has already had another child. She said later he would either leave her or she would have an abortion if he deserted her. She had seven children. Her husband, a poor farmer, had taken a second wife, who had another child of 1. Her one son, aged 13, had won a place in a good secondary school, and the husband said he could not pay the fees.

The boy was sitting on the ground in front of the stall, covered in dust kicked up by passing trucks, eating an orange. Friends of the family said later he would either try to find a place in a no-fee school or drop out.

The mother was pregnant. In a nearby shop, Grace Wachira says that after her sixth child was born in 1971, she began taking contraceptive pills. "I felt very drung, she said. Although her youngest son (aged 13) had won a place in a good secondary school, the husband said he could not pay the fees.

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and poultry, and to obtain bank credit for brickmaking, water, and other projects. From a small office in New Delhi works a poised, confident symbol of what education, commitment, and hard work can do for Indian women.

Rami Chabra is still very much the exception rather than the rule in her country of 800 million, where a mere 1 percent of women complete university. However, she is combining two fields—journalism and family planning—in an effort to open new horizons for women, particularly in India's 550,000 villages.

"The heartbeat is that India began it all, with the first government family-planning program in the third world, but that we haven't come nearly far enough. "China has done very well in lowering growth, but I am opposed to coercion," In India we must use democratic methods," she says.

Twenty-eight percent of Indian couples between the ages of 15 and 49 practice birth control. The government goal is 60 percent by the year 2000.

In densely populated, northern areas, Nirmala, 12, was promised marriage at 11 or 12, and go to live with their husband's families at age 14 or 15. They may have two children by the age of 20.

They and their mates still they have at least one son and preferably more. Baby girls are given less to eat in a number of areas, and many die.

"We must move rapidly to spread knowledge of family planning," she says. "Speed is essential. Forty percent of India is under 14 years old. The number of people entering the 15-49 age bracket is three times the number leaving it," she explains.

"Family-planning services must be linked to needs: health, education, education for women.

"You know, we glorimize the village, the graceful water-pot on the heads of swaying women. . . . But I can't go into the villages now without seeing the misery behind that pot.

Meanwhile, one of the biggest obstacles blocking the progress of third-world women is . . . men.

A senior Kenyan government official was heard to remark recently that he would per- sonally refuse to adopt any method of male contraception. "African men fear that if they use birth control, their wives might be普查ed," the Rev. Dr. R. Rayyani, a Kenyan doctor trained in Uganda and Israel.

African men also want children to look after them when they're old," says a young woman in Nairobi.

Meanwhile machismo lives on in Mexico, according to Dr. Manuel Urbina Fuentes, the head of the family-planning program in Mexico's Ministry of Health.

"Compare sterilization rates for men and women since 1978," Dr. Urbina says, "and you'll see the male rate staying very low but the female rate more than tripled."

Dr. Urbina is looking for ways to draw more Mexican males into the family-planning program. "We've made great strides overall," he says. "Our growth rate is down from 3.2 to 2.4 percent a year since 1976. Now we want to go down to 1.9 percent a year by 1986—which means boosting the number of Mexican family-planning acceptors as a whole from 300,000 in 1982 to 7.6 million . . . quite a task."

A SEA OF PEOPLE—CAN THE TIDE BE STEMMED? (By David K. Willis)

For Juana de Gadilno, wife of a poor farmer in the Mexican state of Tlaxcala, her fourth child was enough. "How can I support more when we can hardly feed ourselves," she asks. Disobeying her church, she now takes contraceptives by injection in a town 10 miles away.

Gladys Mumbi, from the Tumutumu area of Kenya, wanted four children but had only seven. She learned family planning from a volunteer health worker who came to her village. Her husband, a laborer, agrees she should use it.

Durga Devi, who has four children, had to go against her husband's wishes to seek birth control in a New Delhi slum five years ago. "I waited until he left for work one morning and went to a local clinic," she said. "Now he's happy and I've recommend­ed 10 other women for sterilization.

These are just some of the individuals in the third world who are taking their own steps to control their families since the first World Conference on Population in Bucharest, Romania in 1974.

A World Population Policy adopted at Bucharest stressed that couples had the right to choose their own family size. While East-bloc and third world countries have resisted family planning throughout, almost the third world has since come to adopt it as an essential part of development.

What ideas do they spread on the word on family planning are working best?

Experts agree that, with the world's popu­lation of 4.7 billion shooting up in Mexico, Simh Sri Lankan Karunathilke Ganmall will be married in September. He and his wife want only two children. She intends to use the pill.

"We have to show people the need for family planning," he said. "Speed is essential. Forty percent of India is under 14 years old. The number of people entering the 15-49 age bracket is three times the number leaving it," he explains.

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sia has used the pill and the IUD as well as male contraceptives.

Yet some general lessons do emerge:

* Ask villagers to walk to central clinics, and they will probably stay home, as they have done in parts of India, Bangladesh, and now in Africa. Here one knows and you will provide: Kerala State in India has scored successes by building health clinics and schools out in the countryside where the people are.

* Raise literacy and the status of women, and provide jobs for women and you will do well: Sri Lanka, India, and Korea State are prime examples.

Mexico has realized the urgent need to reach its villages: In Mexico City, Dr. Manuel Urbina Fuentes, the government's family-planning chief, says that 26.3 million Mexicans—one in every three—lives in a settlement of less than five people. Eleven million live in hamlets of 500 or less. More than six children per average family.

By 1988, Dr. Urbina wants a rural health worker equipped with 13 basic medicines and supplies of contraceptives, in every settlement.

Argue with local Muslim leaders and you may have a Pakistan (97 million people). More than six children per average family growth rate almost 3 percent a year. The time for Muslim leaders (better still, have a more liberal school of Muslim and you may end up like Indonesia—birthrate down to 31 per 1,000 and an annual growth rate of 1.5 percent a year.

A nation's leader needs to be committed to population control. More than six children per average family, Indonesia, Bangladesh, Sri Lanka, Thailand—progress is marked. When her or she is not—Egypt so far, Kenya, Pakistan areas of West Africa—progress is minimal. The rules don't always apply. In Bangladesh (population: 68.4 million, due to jump to 145 million by 1985, 15 percent of couples prefer family planning. The figure is 26 percent in India; almost 60 percent in Taiwan, South Korea, and Thailand; and now above 40 percent in Mexico.

Foreign aid plays a part, but much work is done by private international groups such as the Population Crisis Committee in Washington, D.C., which groups in the US which plan and help carry out family planning programs abroad.

As a paradox is also emerging, who Steven W. Sinding, the US population division chief, sees as sojering:

* A decade ago plenty of donor money was available in the US. Now it is gone. Where before the ist, India, Indonesia, Tunisia, Sri Lanka, Thailand—progress is marked. When her or she is not—Egypt so far, Kenya, Pakistan areas of West Africa—progress is minimal. The rules don't always apply. In Bangladesh (population: 68.4 million, due to jump to 145 million by 1985, 15 percent of couples prefer family planning. The figure is 26 percent in India; almost 60 percent in Taiwan, South Korea, and Thailand; and now above 40 percent in Mexico.

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who read his publications can all be very proud of.

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

[From Numismatic News, Aug. 4, 1984]

RULAU RETIRES FROM Krause Publications

Chester L. Krause, president of Krause Publications, announced July 24 the retirement of Russell Rulau from full-time employment at Krause Publications as editor in chief of World Coin News and Bank Note Reporter.

Rulau, 57, will cease his staff association with KP Aug. 31 after 10.5 years. He will continue to author KP's series of U.S. token catalogs, which he initiated in 1980, Krause said. That series—Encyclopedia American Tokens, Hard Times Tokens, U.S. Merchant Tokens and U.S. Trade Tokens—catalogs American store cards and tokens from 1700 through 1889.

Future catalogs planned will add tokens of 1890-1900 and also medals of George Washington.

Rulau, a 45-year veteran of numismatics, has been a numismatic editor continuously since 1959. That was the year that since cardiac surgery Oct. 31, 1983, he has "wared of the constant deadline constraints of coin journalism."

He added that he will not be leaving the numismatic field but will be entering a new career within the field.

"People may see more of me in the future, not less," he said. "Quite soon there will be an announcement of my assumption of an executive position with an expanding firm—outside the publishing area. I prefer to let my new associates choose this timing."

Rulau first broke into numismatic prominence in 1960, when he invented the word "exonumist" and helped found the Token and Medal Society. He was appointed assistant editor and then (1962) editor of the TAMS Journal, both non-paid positions.

In December 1968 he elected to leave active military service with the Air Force and was appointed a staff editor for Coin World of Sidney, Ohio. In September 1968, CW owned J. Oliver Amos promoted him to editor of World Coins, a new monthly magazine to be launched in January 1964. In early 1969 he was also installed as editor of Numismatist, Numismatist Bookshop Magazine, which Amos Press had just purchased from the Hewitt family of Chicago.

In April 1974 Rulau resigned his multiple editorial positions with Amos Press and joined Krause Publications in Iola, Wis.

A frequent lecturer and world traveler, Rulau has authored several thousand articles on every conceivable facet of numismatics. "Most people know me as a token expert or as an authority on modern coins of the world," Rulau said, "but I consider myself a true general collector—dabbling in everything and switching specialties with the years. Only U.S. tokens have held my attention constantly since I started collecting in 1939."

Rulau ends a distinguished numismatic journalism career that has included coverage of the International Numismatic congress held in New York in 1973 and Bern in 1979, the International Association of Professional Numismatists assembly in Athens in 1972, the Professional Numismatists Study Tour of Russia in 1975, and most of the American Numismatic Association conventions from 1963 on.

He has interviewed U.S. Mint directors Eva B. Adams, Mary Brooks, Stella Hackel and Donna Pope and such renowned figures as Howard Ruff, Frankie Laine, Grand Master Angelo de Mojana of the Order of Malta, Pierre Dehe, former U.S. senators Jake Garm, Robert Kasten and Robert Taft Jr., every ANA president from Oscar Douglas, David Bowers, and numismatic authors Eduard Kann, Kurt Jaeger, John S. Davenport, Yakov Meshorer, J.G. Spasik, Miguel L. Munoz, jean Dechette, O. G. M. Mako, George Fulda and many others.

He says he counts among his friends U.S. Mint chief engraver Elizabeth Jones and France-based engraver Paul Vince, Spink's managing director Douglas G. Liddell, and ANA executive vice president Edward Rochette.

He has visited many of the government and private mints of the world. He reads seven languages, including Russian and German, and recently said that he knew personally every major figure in the world of numismatics in the past 25 years.

THE RECORD RENTAL AMENDMENT OF 1984

Mr. MATHIAS. Mr. President, I am pleased to welcome this important piece of legislation, S. 32, back to the Senate, following its consideration and approval by the House. This bill will make a needed reform in the copyright law to protect copyrights in sound recordings. Although the House has modified this bill slightly through a substitute draft, S. 32 remains a timely and effective response to a growing threat to our copyright system.

I want to take this opportunity to compliment Representative KASTENMEIER, the chairman of the House Subcommittee on Courts, Civil Liberties, and the Administration of Justice; Representative Edwards, the chief sponsor of the companion House bill, H.R. 9398; and Representative Rodino, the chairman of the House Judiciary Committee, for their able work in promoting this legislation. Their thoughtful consideration of the issues presented by this bill has been crucial to its forward progress.

Let me briefly review the purpose of this legislation. In April 1983, the Subcommittee on Patents, Copyrights, and Trademarks held a hearing on the commercial rental of copyrighted works. At that hearing, we learned that a number of record rental outlets had opened around the country. We also learned about what sort of business these outlets were in: The business of encouraging customers to take records home, tape them, and return the to the rental outlet. The advertisements of some of these outlets made their appeal explicit. One advertised "Never, ever buy another record!" and another touted its "free blanket tape policy."

Under the current Copyright Act, these outlets had an arguable defense: the so-called first sale doctrine. Traditionally, this doctrine has insulated the purchaser of a particular copy of a copyrighted work from any copyright infringement when he resells or gives possession of that copy. Although that principle remains a sound one in most instances, the advent of commercial record rental—with its direct link to copying—calls for a modification of that rule. To deal with the dangers posed by record rentals, S. 32 makes a commonsense reform: It requires that one obtain the permission of the copyright owner before one may commercially rent sound recordings.

In most respects, the version of S. 32 approved in the other body is identical to the bill approved by unanimous consent by the Senate in June 1983. However, I want to mention two significant differences between the House and Senate bills. The first is that the House bill contains a sunset provision, making the bill applicable for only 5 years, and requiring reenactment every 5 years that it is to remain in force. The Senate bill, by contrast, would make a permanent change in the law in this regard. The House committee report states that the sunset provision means that it is time to consider the legislation at a later time."

In an age of rapid technological change, the legislative agenda concerning intellectual property issues is crowded. One. If it is sufficiently likely that circumstances will significantly change in the record rental area in the next 5 years, should we divert ourselves from this agenda and devote more time and effort to reenacting this important reform. The Senate did not find that likelihood. Indeed, the consistent trend of the past 25 years is that unauthorized copying has become steadily easier and more of a threat to traditional copyright principles. But this disagreement should not hold up enactment of this bill. I wish to emphasize, however, that sunset provisions are not necessarily appropriate in connection with other copyright reforms, and that each future bill will need to be evaluated on an individual basis in this regard.

The second significant House amendment to this bill is a provision that precludes the application of criminal penalties for the violation of this act. Under the Senate-passed bill, the criminal penalties that have historically been available under the Copyright Act would apply with full force to the most egregious violations of the record rental right. The House chose to eliminate criminal enforcement in this area, on the ground that the definition of prohibited rental practices might be insufficiently precise to support criminal prosecution.
It is important to be clear about what the criminal exemption in the House version means. As I read the prosecu-
tion, it bars the application of criminal penalties for the mere unauthorized rental or lending of copyrighted sound recordings. The amendment does not, however, confer immunity from criminal penalties for independent violations of the Copyright Act, merely because one's activity involved the rental or lending of sound recordings. Thus, to take a dramatic example, one whose role in a massive record piracy conspiracy consisted of lending records to the operation, knowing that they would be used as masters to create thousands of illegal copies, would not be exempt from criminal liability merely because his or her activity consisted of lending the recordings to his or her confederates.

It should not be inferred from the Senate's acceptance of this House amendment that we believe that any general retreat from criminal remedies for copyright infringement is warranted. The Copyright Act makes criminal penalties applicable only against persons who infringe copyrights "willfully" and "for purposes of commercial advantage or private financial gain." Thus, no Innocent infringer could ever be liable for criminal copyright infringe-
ment. Nor could any individual who simply infringed copyrights for his or her own personal use. Rather, the criminal provisions of the Copyright Act are carefully targeted at "willful infringement for profit." Given this narrow focus on the most egregious violations of the copyright laws, I believe that criminal penalties should continue to play an important role in deterring the outright theft of the labors of creative artists and writers.

The importance of maintaining a meaningful criminal enforcement system is underscored by the fact that, as many have observed, we live in an age in which intellectual property plays an increasingly vital part both in the domestic U.S. economy and in our international trade. Copyrighted works such as books, films, records, and computer software do more than just supply entertainment and needed information—they also provide jobs to millions of Americans. The export of these same goods is an increasingly im-
portant part of our international trade. In addition, the United States is a world leader in the creation and marketing of other forms of intellectual property. In particular, American inventors have enriched the world with powerful inventions as familiar as farm machinery and as novel as man-
made forms of bacterial life. In view of the increasing importance of intellectual property within both the national and world economy, it would be highly inappropriate to begin weakening the penalties for egregious violations of intel-
lectual property rights.

It is wholly inappropriate for Senators to support this legislation, and I hope that it will be promptly enacted into law.

APARTHEID: THE CONTINUING TRAGEDY IN SOUTH AFRICA

Mr. CRANSTON. Mr. President, I call to the attention of my disinguished colleagues a resolution introduced by Senator Tsongas and Sena-
tor Cranston, that the Senate Foreign Re-
lations Committee unanimously passed unanimously on September 12. This resolution, Senate Concurrent Resolution 139, condemns the Government of South Africa for its arbitrary arrests and in-
dom. It is obscene when a government denies, on the basis of race alone, 70 percent of its people the right to vote, to choose their place to live, to have equal social and economic opportuni-
ty, and to express freely and peacefully their political beliefs. Sadly, there has been no real indica-
tion that South Africa is moving toward any substantive change in its practice of racial discrimination against its black majority. Sporadic bloody rioting in the townships ending in tragic violence and loss of life con-
tinues. We cannot be silent as the situa-
tion worsens and more lives are lost. We must be firm in our condemnation until Pretoria pursues reforms in its apartheid system. Is this to be the fate of its next generation?

As a nation founded on the principles of democracy and justice, the United States cannot fail its moral obli-
gation to condemn South African apartheid and to press for civil and political liberties. We must speak out forcefully against South Africa's racism and make clear to Pretoria that its policies offend Americans and all those who cherish justice and free-
dom. And we must preserve in our con-
demnation until Pretoria pursues re-
forms that will involve the active par-
ticipation of its black majority in its national political and economic affairs.

I wholeheartedly urge the Senate to pass this resolution unanimously. It is my hope that the full Senate will act expeditiously and pass this important resolution without delay.

I also wish to take this opportunity to applaud the efforts of Senator Tsongas for his leadership in championing human rights not only in South Africa but elsewhere in the world. It has been an honor and a pleasure to work with him to further the cause of human rights. An eloquent voice for freedom, a voice that has been strong, compassionate, and reasoned, Senator Tsongas is an inspiration to us all.

RELEASE OF FIVE AMERICAN CITIZENS BY RUSSIA

Mr. BAKER. Mr. President, I have one other matter before we recess at 12:05 p.m.

I wish to commend the distinguished Senator from Alaska, Senator Stevens, for his efforts in obtaining the release of the five Americans taken into custody by the Soviet Union on the day before yesterday.

I know both Senators from Alaska have been greatly concerned with this matter, and have worked closely with the State Department and the White House to obtain the release of these American citizens.

But there is one aspect of the matter that I thought should be brought to the attention of the Senate. It is in no way a diminution of the good efforts by the State Department or others. Our friend, Ted Stevens, had a very novel and unique diplomatic idea yester-
day. That is while negotiations were going on with some difficulty with the Soviet Union, Ted Stevens picked up the telephone and placed a call to a hotel in easternmost Siberia where it was reported by the press these five Americans were being held and, lo and behold, he was connected. He proceeded to have a conversation with the five Americans, which was dutifully reported to the State Department, and obtained a great deal of infor-
nation which was of great value.

I am sure it contributed greatly to the release of those prisoners.

I questioned Senator Stevens after I first congratulated him on his mission. I asked whether or not you could directly dial to Siberia. He answered that you could not, that it still re-
quired an operator.

So there is still much to be done in the relationships between our two countries.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the hour of 12:05 p.m. having arrived, the Senate will stand in recess until the hour of 2 p.m.

Thereupon, the Senate, at 12:05 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Kasten).
Mr. GLENN. Mr. President, I rise today to add a noncontroversial amendment to the miscellaneous tariff bill currently before the Senate. This amendment is identical to a bill I introduced in August to suspend for a 3-year period the duty on imported rain-umbrella frames. The current 15-percent duty hurts rather than helps domestic manufacturers because hand-held umbrella frames are no longer produced in this country. In fact, with 95 percent of all umbrellas sold in the United States being manufactured overseas, this duty adds further injury to what remains of an already hardpressed domestic industry.

What does remain, Mr. President, are eight American rain-umbrella manufacturers who rely almost entirely on frames imported from Taiwan. In 1983, Taiwan lost its GSP status because it accounted for more than 50 percent of the imports of umbrella frames and its trade exceeded $1.3 million. As a result, a 15-percent duty was imposed on frames imported from Taiwan. Although well intended, this action will have unfortunate consequences for American companies. If the duty on frames is not suspended, manufacturers will be forced to raise their prices to a point which may well force them out of business. This country can ill afford to take that kind of risk. Mr. President, our domestic umbrella manufacturers clearly need our help and this help must come quickly.

By suspending the duty on hand-held rain umbrella frames for 3 years, American jobs will be saved and the industry will be given a fighting chance to survive. Mr. President, this is a simple amendment that will offer needed help to a struggling industry. I ask for its immediate consideration and urge my colleagues to join me in supporting this commonsense measure.

FACTSHEET ON UMBRELLA FRAMES
First, 95 percent of all umbrellas sold in the United States are manufactured overseas.
Second, the eight U.S. manufacturers rely almost entirely on frames from Taiwan.
Third, in 1983, Taiwan lost its GSP status because it accounted for more than 50 percent of the imports and its trade exceeded $1.3 million.
Fourth, consequently, a 15-percent duty was imposed on frames from Taiwan.

Fifth, the amendment would suspend for a 3-year period the duty on imported rain-umbrella frames.

Sixth, the amendment is noncontroversial and enjoys the support of American manufacturers and their employees, members of the Amalgamated Clothing & Textile Workers Union, AFL-CIO.

Mr. President, this amendment has been discussed with both floor managers of the bill and I believe we have an agreement on this. I move adoption of the amendment.

The PRESIDING OFFICER. Is there further debate?
Mr. DANFORTH. Mr. President, the amendment is acceptable.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment. The amendment (No. 4256) was agreed to.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Maine.

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

Mr. DOMENICI. Mr. President, will the Senator withhold?

Mr. BENTSEN. I withdraw. Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I wanted to state to the floor managers that I have three amendments with reference to copper. I am trying to work out something with the floor managers and with a number of other Senators who are interested.

I wanted to report that it will take me about 15 or 20 minutes to get back to them. I would like to be protected, I will not take over the amount of time.

AMENDMENT NO. 4356
(Purpose: To amend section 243 of the committee amendment to cover modifications and classifications of the existing United States-European communities pipe and tube agreement)

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

The PRESIDING OFFICER. Is there objection to setting aside temporarily the Cohen amendment?

Mr. BENTSEN. Mr. President, I ask unanimous consent that the amendment of the Senator from Maine be temporarily laid aside so that the Senator from Ohio may proceed.

The amendment is noncontroversial and enjoys the support of American manufacturers and their employees, members of the Amalgamated Clothing & Textile Workers Union, AFL-CIO.

Mr. President, this amendment has been discussed with both floor managers of the bill and I believe we have an agreement on this. I move adoption of the amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. DANFORTH. Mr. President, the amendment is acceptable.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment. The amendment (No. 4256) was agreed to.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Maine.

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

Mr. DOMENICI. Mr. President, will the Senator withhold?

Mr. BENTSEN. I withdraw. Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I wanted to state to the floor managers that I have three amendments with reference to copper. I am trying to work out something with the floor managers and with a number of other Senators who are interested.

I wanted to report that it will take me about 15 or 20 minutes to get back to them. I would like to be protected, I will not take over the amount of time.

AMENDMENT NO. 4356
(Purpose: To amend section 243 of the committee amendment to cover modifications and classifications of the existing United States-European communities pipe and tube agreement)
The bill clerk read as follows:

The Senator from Texas (Mr. Bentsen) proposes an amendment numbered 4256.

Mr. BENTSSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike from page 34, line 27 through page 35, lines 3 and 4 of the amendment No. 4244 and insert a new Section 243 as follows:

"SEC. 243. ENFORCEMENT OF ARRANGEMENT ON THE EUROPEAN COMMUNITY EXPORT OF PIPES AND TUBES.

(a) In connection with the provisions of the Arrangement on European Communities Export of Pipes and Tubes to the United States of America, contained in an exchange of letters dated October 21, 1982 between representatives of the United States and the Commission of the European Communities, including any modification, clarification, extension or successor agreement thereunder, the Secretary of Commerce is authorized to request the Secretary of the Treasury to take action pursuant to subsection (b) of this section whenever he determines that:

(1) the export of pipes and tubes to the United States from the European Communities is exceeding the average shares of annual United States apparent consumption specified in the Arrangement, or

(2) distortion is occurring in the pattern of United States non-discriminatory trade within the pipe and tube sector taking into account the average share of annual United States apparent consumption accounted for by European Communities articles within product categories developed by the Secretary of Commerce pursuant to this subsection by the Secretary of the Treasury.

(b) At the request of the Secretary of Commerce pursuant to subsection (a), the Secretary of the Treasury shall identify one or more categories of pipe and tube products with respect to which action under subsection (b) is requested.

Mr. BENTSSEN. Mr. President, as section 243 now reads, it provides for the enforcement of the 1982 arrangement of pipes and tubes. That is a trade agreement between the United States and European Communities.

Under this amendment, the section would cover enforcement of both the 1982 arrangement and "any modification, classification, extension, or successor agreement thereto."

Quoting the President, I am simply concerned about any possible evasion of section 243, and I want to see that it is carried out.

Mr. President, the President has before him a decision under the escape clause in steel. If he decides, as he may, under the current law, to negotiate "ordinarily marketing agreements" with the EC, he may substitute an OMA for the 1982 agreement. If he does, section 243 ought to cover the new agreement.

That is what this amendment is all about, what it would accomplish. I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. DANFORTH. Mr. President, the amendment is acceptable.

The PRESIDING OFFICER. Is there further debate? If not, the question is on approving the amendment. The amendment (No. 4256) was agreed to.

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

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

The motion to reconsider was laid on the table.

Mr. CHAFEE. Mr. President, let me express my gratitude for the work done by the chairman of the Finance Committee and the managers of H.R. 3398. This bill represents the kind of positive measures Congress can take to enhance the American share of world trade. Rather than succumb to protectionist pressures, we can focus in H.R. 3398 on ways to help open foreign markets for U.S. goods, as well as ways to assist the exporter's competitive position.

I believe that these goals can be accomplished in ways that are consistent with our international trading obligations under GATT and in ways that do not hurt consumers and workers.

One such effort is the reciprocity bill—title III of H.R. 3398, originally introduced by Senator Danforth, International Trade and Investment Act. enactment of this bill this year is vital to improve our ability to negotiate the removal of foreign trade barriers and restrictive practices, and to improve our export trade in services, high technology goods, and trade related investment. Full implementation of both its letter and its spirit can provide significantly improved access to foreign markets for U.S. goods and services.

Another measure in title V of the bill is the reauthorization of the general system of preferences which would help us gain freer access to LDC markets. This reauthorization would help developing countries earn dollars with which to buy U.S. products, and help us obtain protection of U.S. patents and copyrights.

As an original cosponsor of the International Trade and Investment Act, title III of the preferences which would help us gain freer access to LDC markets. This reauthorization would help developing countries earn dollars with which to buy U.S. products, and help us obtain protection of U.S. patents and copyrights.

As an original cosponsor of the International Trade and Investment Act, title III of the preferences which would help us gain freer access to LDC markets. This reauthorization would help developing countries earn dollars with which to buy U.S. products, and help us obtain protection of U.S. patents and copyrights.

As an original cosponsor of the International Trade and Investment Act, title III of the preferences which would help us gain freer access to LDC markets. This reauthorization would help developing countries earn dollars with which to buy U.S. products, and help us obtain protection of U.S. patents and copyrights.
access on both sides, elimination of tariffs will free up substantial sums for research and development and capital investment. U.S. semiconductor firms currently pay $75 million in duties. It is estimated that 80 percent of these duty savings will go into R&D and new capital equipment. The remainder of the savings would be passed on to purchasers of semiconductors in the form of lower prices.

The Office of Technology Assessment recently reported that many of the fastest growing occupational categories in the economy will be found in the electronics and other high technology industries sector. We must do all we can to preserve these future employment opportunities. Section 308 of Title III—towards the floor authority for semiconductors is one way to do that.

Finally, Mr. President, we have in H.R. 3398 an opportunity to enact trade legislation which improves our world trading system and assists American exporters to gain a greater share of that global trade. Protectionist proposals will kill this bill's chances of passage, hurt the American economy, and deprive American jobs, while at the same time help dismantle the international rules by which we are all governed.

The world trading system has been under tremendous pressure since the global recession of 1981 and 1982. We certainly face serious problems in our trade relations with others. Our trading partners have trade barriers which are both unfair and frustrating to Americans. I do not believe that our workers and industries must accept the use of unfair practices by foreign competitors in their efforts to penetrate U.S. markets.

The bill we are considering today contains many elements to counteract those unfair practices and to strengthen our hand in the world trading system. We will merely aggravate the problem by giving in to election year pressures to enact protectionist laws. Potential protectionist amendments to this bill will deprive us of this golden opportunity to provide some real help to the American exporting community.

AMENDMENT NO. 4257
(Purpose: To provide for a public hearing at the request of any interested person on a petition filed with the U.S. Trade Representative requesting that the President take action under section 361 which provides relief from unfair trade practices)
Mr. LEVIN. Mr. President, it is my understanding that the floor manager is prepared to engage in a colloquy on that subject relating to a couple of amendments. But before we do that, I would again like to thank the Finance Committee and the Senator from Missouri in particular for his efforts in reaching an earlier agreement with respect to section 303 of the bill. This change makes clear that in the report by the U.S. Trade Representative which would identify and analyze significant barriers to U.S. exports, the U.S. Trade Representative would have to give reasons for not taking action to eliminate those barriers, as well as identifying any action taken. This need to explain inaction may provide an added incentive for the U.S. Trade Representative to take action on those barriers or distortions of trade which he has identified. I believe this addition strengthens the bill, and I appreciate the earlier efforts of the floor manager to include it. Now with respect to other portions of the bill, let me ask the floor manager if he has reviewed my proposed amendment to section 302 that would add the phrase "or other interested person" at the end of line 32 on page 55?
Mr. DANFORTH. Yes, I have.
Mr. LEVIN. The intent behind this amendment is to make clear that any interested person could make a timely request for a hearing on a petition by United States industry that the Trade Representative requesting that the President take action to eliminate trade barriers. Under the bill as it now stands, it is my understanding that only the petitioner could make such a timely request for a hearing. This change would permit all views to be heard and debated publicly and for all ramifications of eliminating such a trade barrier to be explored. Is that the understanding of the floor manager?
Mr. DANFORTH. Yes, it is.
Mr. LEVIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.
The PRESIDING OFFICER. Is there objection to setting aside the amendment of the Senator from Maine in order to consider the amendment of the Senator from Michigan?
Mr. BENTSEN. Will the Chair repeat that?
The PRESIDING OFFICER. The Senator from Michigan wishes to submit an amendment. We must set aside the pending amendment, the amendment of the Senator from Maine, in order to do so. Is there objection to setting aside the pending amendment in order to consider the amendment of the Senator from Maine? The Chair hears none, and it is so ordered.
The amendment will be stated.
The assistant legislative clerk read as follows:
The Senator from Michigan (Mr. Levin) proposes an amendment numbered 4247. On page 22, strike "or" and add the following: "or by any interested person."
Mr. LEVIN. Mr. President, this amendment I think has been cleared on both sides of the aisle, and I have no further debate on it.
The PRESIDING OFFICER. Is there further debate?
CONGRESSIONAL RECORD—SENATE

AMENDMENT NO. 4258
(Purpose: To provide that in pursuing the negotiating objectives, U.S. negotiators shall take into account legitimate domestic objectives and the laws and regulations related thereto)

Mr. LEVIN. In that case, Mr. President, I ask unanimous consent that the pending amendment be laid aside so that the two amendments I have just identified will be in order.

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

The amendment is as follows:

After line 39, page 52, add the following: "Provided, That in pursuing these objectives, U.S. negotiators shall take into account legitimate U.S. domestic objectives including, but not limited to, the protection of legitimate health or safety, essential security, environmental, consumer or employment opportunity interests and the laws and regulations related thereto."

Mr. LEVIN. Mr. President, this amendment is as I have just described it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4258) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. LEVIN. Mr. President, I thank my friends from Missouri and Texas for their help and consideration on these amendments.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the amendment of the Senator from Maine be set aside.

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

The amendment is as follows:

After line 19, page 52, add the following: "Provided, That in pursuing these objectives, U.S. negotiators shall take into account legitimate U.S. domestic objectives including, but not limited to, the protection of legitimate health or safety, essential security, environmental, consumer or employment opportunity and the laws and regulations related thereto."

Mr. LEVIN. Mr. President, the amendment is as I have just described it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4258) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. LEVIN. Mr. President, I thank my friends from Missouri and Texas for their help and consideration on these amendments.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the amendment of the Senator from Maine be set aside.

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

AMENDMENT NO 4260

Mr. DANFORTH. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Missouri (Mr. DANFORTH) proposes an amendment numbered 4260.

Mr. DANFORTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

After line 10, page 10, add the following: "Provided, That the Department of Commerce, the Department of the Treasury, the Department of Justice, and the Department of Labor shall, in their discretion, cooperate with interested domestic parties, (ii) afford an opportunity for such parties to comment on the proposed regulations, and (iii) consider all such comments before prescribing final regulations."

Mr. DANFORTH. Mr. President, this is a technical amendment to section 134 relating to quotas on various dairy products, including whey. Section 124, as it is written now, cannot be properly administered. This amendment would make it administrable.

Mr. BENTSEn. Mr. President, there is no objection on the side of the minority to this amendment.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Missouri.

The amendment (No. 4260) was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Maine.

Mr. DANFORTH. 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. COHEN. 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. COHEN. Mr. President, as I understand it, the parliamentary situation is that my amendment is now pending. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. COHEN. Mr. President, I yield to the Senator from Maine who has an amendment that he seeks to offer in the second degree.

them. In this way, U.S. negotiators will keep in mind not only the importance of improving the flow of trade and investment, but will also keep in mind the benefits which our current laws and regulations help to bring about. I have prepared two amendments to this point, one dealing with trade in services and one dealing with foreign direct investment. I was laboring under the assumption that these amendments have been cleared, and perhaps they have not been.

Mr. BENTSEn. I say to the distinguished Senator from Michigan that I have no objection.

Mr. LEVIN. I thank the Senator from Texas.

Mr. DANFORTH. It is acceptable to this Senator.
Mr. MITCHELL. Mr. President, I offer a perfecting amendment to the pending amendment offered by my colleague from Maine [Senator COHEN]. My amendment would have the effect of accomplishing a goal I have long sought—and a goal I know Senator COHEN shares—which is to make our trade remedy laws more readily accessible to small business men and women of our Nation.

The amendment proposed by Senator COHEN contains two provisions in particular that provide a beginning in help for smaller firms seeking redress under our trade laws.

They are the small business assistance office and the provision to permit appeals of agency actions to bypass the quasi-trial character of the International Trade Commission proceedings before the Court of International Trade and would more closely fulfill the intention of the law, which is to examine agency actions, not to retry petition cases.

A small business bill I introduced in 1982 contained these provisions and they are also part of S. 50, a small business trade bill that Senator COHEN and I jointly sponsored in this Congress.

I am now proposing that the amendment before us be modified to incorporate another provision of that bill, to establish a Small Business Advocate Office in the Commerce Department to provide direct help to smaller companies. Such an advocate office would be a suitable referral point for the Small Business Access Office, which is in the nature of a clearing house office. Companies most in need of help to formulate and present their cases to the advocate's Office that goes beyond the informational function of the Small Business Access Office already in the amendment.

Hearings held in the Finance Committee earlier this year made it clear that one of the major obstacles to the use of our trade laws by smaller firms is the cost, length, and complexity of the process. Our smaller firms should not be denied access to laws that are designed to serve all American business simply because they cannot meet the cost and cannot handle the complexity.

Nor should the outcome of petitions rest upon the inability of smaller industries to Compile the detailed and sophisticated data in sufficient quantity to overcome every objection.

I emphasize the perfecting amendment I am now offering would not simply clarify the process. It would not preclude the outcome of petition brought before the ITC in a dumping or subsidy case. It would not give small-
whose primary responsibility will be to actively assist smaller firms in seeking relief under our trade laws. The advocate’s office would have the authority to intervene on behalf of small firms. The Department of Commerce has that power now but has rarely used it. My perfecting amendment builds on the existing power within the Commerce Department and simply authorizes the advocate’s office to initiate cases for small businesses.

Second, the advocate’s office would be authorized to request a limited number of investigations by the International Trade Commission. Such factfinding investigations could be requested in connection with small business undertaking to prepare their cases.

Investigations such as this have been helpful in the past, and this authority will give the advocate’s office a valuable tool in making certain that relief from unfair trade is not denied for lack of adequate documentation. I hope my colleagues from Maine can accept this modification of his amendment. It would be a help, I believe, and I know he believes, to Maine’s small firms and to smaller firms and producers throughout the Nation. I believe it would also fulfill the goal of making certain our trade laws are accessible to all American companies, regardless of their size, if they have a legitimate and substantiated complaint against unfair trade competition.

Mr. President, I want to commend the Senator from Maine, my colleague, for offering this amendment to the underlying amendment. I want to join with him in supporting it and join the Observers.

Over the years, he and I have both witnessed what has taken place when small industries such as those we represent in the State of Maine have been forced to seek relief under our trade laws. As Senator Mirkovich has indicated, many times they find that the cost is too great for them to bear. It is expensive, it is complex, and ultimately the remedies have been illusory. They have been illusory primarily because the attitude on the part of the Commerce Department and other agencies over the past few Republican administrations, Democratic administrations, have primarily reacted as adversaries.

They have primarily had the attitude that here are these small industries, they cannot quite make it in the marketplace, and they have had absolutely no help from these administrations. And by the way, they have insisted that these small businesses bring their own documentation and accumulate massive amounts of information which in my judgment the Government should be in the business of accumulating. So there has been adversarial relationships between our own constituents, our own businesses, our own industries, and the Government which we believe has a responsibility of representing the people of this country.

The nature of the amendment the junior Senator from Maine has offered is to primarily shift the emphasis from being an adversary—and I might add over the past 4 years there has been a significant shift from an adversarial relationship to one of advocate—but in this particular amendment to crux of it is that our Government agencies are no longer going to be adversaries to the people of this country but advocates. In my judgment the amendment is the singular and I think praiseworthy merit of this amendment. I want to join him in urging my colleagues to accept it.

Mr. MITCHELL. Mr. President, I rise today as a cosponsor of the amendment offered by my distinguished colleague from Pennsylvania [Mr. Hixson], a proposal that would significantly reform and improve our trade laws.

Mr. President, the amendment offered today is the product of extensive discussions among concerned Senators and with administration officials. It is a good product; a very good one. The amendment contains a series of necessary changes to our trade relief laws. As one of those who worked to write and pass the Trade Act of 1979, I question whether our trade statutes still do provide American workers reasonable means to secure administrative relief from unfair trade. The amendment has been endorsed by the Trade Reform Action Coalition, a broad-based group of labor and industry representatives from the textile, agricultural, chemical, steel, leather, chemical, food, and footwear industries, and more. These industries employ 4.5 million American workers and produce goods and services valued at almost $220 billion—almost 10 percent of the Nation’s GNP.

Mr. President, when we passed the Trade Agreements Act of 1979, we recognized that under certain circumstances, expanded international trade can have temporary adverse effects on certain U.S. industries. To protect our workers from unfair trade practices by other countries and prevent unfair trade, Congress reaffirmed its commitment to American workers and firms in the 1974 and 1979 Trade Acts: American workers and industries would have access to relief. During the floor debate on the Trade Agreements Act of 1979, I addressed this need to protect American workers from unfair competition. On July 23, 1979, I said, ‘‘But I am here to say that I altogether support the (the Trade act of 1979), but I support it on the condition that the pledges made by other governments to protect American workers’ jobs will be protected from unfair and often dishonest dealings will be kept.”

Mr. President, the promises made to American workers and industries by Congress and the administration to enforce our countervailing duty, antidumping, and other trade statutes, have been kept, by and large—as least as best as possible under the authority currently granted to the executive branch by Congress.

In recent years, however, it has become increasingly evident that we are witnessing fundamental changes in the international trading system, without amending our trade laws to account for these changes. It is an undisputed fact that state-directed economies play an increasingly important role in international trade. The emergence of state-directed economies poses serious problems for American workers and industries that compete in the international marketplace. By deliberate choice, we do not employ the same government-directed strategies that other nations do. As the patterns of world trade have changed, so too have the mechnical changes in the international trading system, reflecting the notions of trade embodied in the General Agreements on Tariffs and Trade and our other international agreements. It is beyond dispute that a free trade system has served this Nation and the world well. But a free trade system requires that American workers and industries by foreign governments to expand their shares of the world market. In this context, it has become clear that our own trade statutes must be amended to take account of the changing nature of world trade in general, and in particular, sophisticated mechanisms used by our trading partners to unfairly claim a greater percentage of international markets at the expense of American workers and industries.

Mr. President, the United States must continue to affirm its commitment to a free and open trading system, reflecting an understanding of our world. In agreement in the General Agreements on Tariffs and Trade and our other international agreements. It is beyond dispute that a free trade system has served this Nation and the world well. But a free trade system requires that Americans have access to relief from unfair trading practices.

I urge my colleagues to adopt the amendment.

Mr. MITCHELL. Mr. President, I thank the Senator for his support. Unless there is further debate, I hope that the amendment would be agreed to.

Mr. BENTSEN. Mr. President, we will accept the amendment on the minority side. We have no objection to the amendment. I would like to congratulate both the Senators in what they are doing in trying to expedite the matters for small business.

The PRESIDING OFFICER. Is there further debate? If not, the ques-
tion is on agreeing to the amendment of the Senator from Maine [Mr. Cohen].

The amendment (No. 4261) was agreed to.

AMENDMENT NO. 4267

The PRESIDING OFFICER. Is there further debate on the amendment offered by the senior Senator from Maine, Senator Cohen? If not, the question is on agreeing to the amendment of the Senator from Maine [Mr. Cohen].

The amendment (No. 4267) was agreed to.

Mr. DANFORTH. I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 4262

(Purpose: To require the President to initiate negotiations for voluntary restraint agreements with respect to copper production.)

Mr. DOMENICI. Mr. President, I have an amendment that I am sending to the desk on behalf of myself, Senator Benefits, Senator Melcher, Senator Bump, Senator Joiner, Senator Erit, Senator Hecht, Senator Baucus, and others. It is a very simple amendment.

I think we all know, either by various hearings that have been held in the Congress or from what we have heard about the International Trade Commission hearings, that the copper industry is in trouble in the United States and that the International Trade Commission unanimously found that they were being hurt by unfair competition.

We have been unable to get any relief through that vehicle even though the process went all the way to the President. What are we doing today is outside of the process of the International Trade Commission and the various authorities contained therein. We are offering an amendment which mandates that the U.S. Trade Representative, on order of the President, immediately take action to initiate negotiations with the governments of the principal foreign copper producing countries to conclude voluntary production restraint agreements with these governments for the purpose of effecting a balanced reduction in the total production by all foreign copper producers for a period of between 3 to 5 years. The amendment also states what our goal and objective is.

It had been my original intention to offer three IMF amendments which addressed another facet of the problem. Instead I will offer the amendment I just described and only discuss the problem with the IMF as it relates to copper.

Mr. President, I would like to discuss the situation in the international copper market and the problems facing the U.S. copper industry.

There are not many significant copper producing countries. The United States, Canada, Chile, Zambia, and Peru, and the period for the foreign producers is the major portion of the world's production and the economic interdependence among these producers is an inescapable reality. Unfortunately, the market has been addressed that profitability has all but disappeared. U.S. producers have lost $1.05 billion in the last 3 years and 18,000 copper workers have lost their jobs.

Third World, 1979-83 period, imports increased 140 percent. Faced with the economic imperatives of massive losses and a stunning surge of imports, the U.S. copper producers brought a section 201 case before the International Trade Commission. The Commission ruled 5-0 that the industry had been harmed by imports.

Commission's report pointed out that there is a global supply and demand problem facing the U.S. copper industry.

While I was disappointed in the final outcome of the section 201 case, I feel that the record created by that proceeding emphasized the chaos in the world copper market.

The amendments I will offer today will address this distorted copper market. My amendments would limit the role the multilateral lending institutions could play in underwriting production and export policies of the major foreign copper producers. In the past, these policies have also directly contributed to prolonging both the 1974-78 and the present copper recessions.

My amendments address the perversion in the marketplace that is, nationalization, development bank loans, and irradiation production policies on the part of the government-owned foreign producers.

The world copper market is very sensitive to the balance between supply and demand. The price for copper this week hit 55 cents a pound because there is an overabundance of copper being produced by foreign producers; 55 cents is the lowest price for copper, in real terms, this century. To put this in perspective, let me tell you that the average price, in constant terms, during the last 84 years has been $1.15 per pound. The oversupply has driven the price down further and further. 50 percent of the free world's copper is government owned. These producers have no incentive to adhere to the law of supply and demand and as a result are wrecking the international copper market.

Despite an oversupply of copper, these countries continue overproduction to maintain employment. Many government producers mine at full capacity even when the market price falls below their costs. At 55 cents a pound, the United States, Canada, Chile, Zambia, the Philippines, and Mexico are all losing money.

At a time when U.S. producers were shutting down or curtailing production to bring the market more into balance, the major foreign producers continued a steadfast policy of maintaining production in spite of falling prices.

Chile, for example, increased production by 15 percent in 1982, while Zambia, Zaire, and Peru maintained their operations at 100 percent of existing capability. The U.S. response was to cut production by 25 percent in 1982.

However, in the case of government-owned producers, the profit incentive vital to free enterprise has been replaced by the need for maximum revenue to service their international debt. Ironically, these countries would earn more hard currency and earn less and earned a fair price for the copper they did produce.

The current situation could have been avoided had the government-owned foreign producers reduced production and exports to correspond to demand.

During 1982 when U.S. producers were closing down and the foreign producers made their decision to increase production, the IMF passed out over $1 billion under the Compensatory Financing Facility to six LDC, copper producing countries. This is a substantial amount of money in relation to the size of the copper industry. These six countries accounted for almost 50 percent of the production of copper in 1982. Five of these countries voted to maintain and increase production in spite of reduced demand and major U.S. curtailment.

We have given these countries a crutch that cripples. I am referring to the Compensatory Financing Facility, with its stated purpose of assisting members when they experience balance of payment problems attributable to temporary shortfalls in mercantilist causes.

It is a crutch because it is supposed to help, but it cripples. It cripples because these government-owned producers are encouraged by the IMF to keep on producing, thereby driving the price down further. The countries lose more and more money and they therefore need more and more assistance. They are crippled.

Countries that export large amounts of copper are very dependent on copper. They have been characterized as monoproduct economies because copper is their only significant export. For the period 1970-82 copper exports as a percentage of total exports were 91 percent for Zambia, 59 percent for Chile, 50 percent for Zaire, and 20 percent for Peru. When the price of
copper drops 1 cent it costs Chile $26 million.

As I mentioned, the historical average price for copper this century has been $1.15 per pound. Today's price is 55 cents. For countries depending on copper sales to finance their international debt the 55 cent price means that these countries have to sell twice as much copper to earn the same amount of exchange. This is not a good policy for economic growth for these countries.

These policies of maximizing output and exports have not only caused excessive imports into the United States, doing serious damage to a long-established and efficient industry here, but has also resulted in the exploitation of their own natural resources to their own detriment.

The effect of the compensatory financing facility has been to underwrite excess production of copper and to encourage a self-perpetuating cycle of greater and lower prices.

In fact, the amount of the entitlement to the Compensatory Financing Facility, under its rules, has been enhanced by the low cost of copper. By requiring that a country demonstrate that their earnings shortfall is beyond their control, the IMF has ruled out production management as a means of optimizing foreign exchange.

A country producing as fast as it can, and selling regardless of price is being very shortsighted. The result has been a windfall from developing countries to the industrialized countries where most of the copper is consumed.

Privately owned companies could not pursue such a course of action. Privately owned companies would go broke.

The production policies followed by these government-owned producers are possible only because of infusion of funds by the IMF. The use of IMF funds by the principal copper exporting countries, Chile, Peru, Zaire, and Zambia, has been very large, totaling nearly $4.4 billion during the period 1975-83. Chile received just under $407 million in compensatory financing facility funds during the period 1975-83 period; $315 million of that amount was borrowed in 1983.

The central thrust behind my amendment is to require the United States to insist on reining the compensatory facility financing facility so that it would work more like our PIK Program. Under PIK the IMF would be authorized to enter into agreements with copper producing countries in appropriate cases, to draw from the IMF loan fund an amount equivalent to the revenues deemed foregone by not producing a stipulated amount of copper. Such agreements would be formulated on a case-by-case basis. This would be in contrast to the present rules which penalize a member when production is curtailed, because such action is deemed intentional and not beyond the control of the producing country.

Another amendment addresses a longer term issue—the project loans provided by the World Bank and other development banks for mines, smelters, and refining plants. The purpose of these loans is to increase the production capacity for surplus commodities like copper. These are loans to produce more of something the world has too much of already. The availability of this credit stimulates new capacity, contributing to the imbalance that already exists between supply and demand.

In January 1983, the International Finance Corporation, a subsidiary of the World Bank, made 15 consideration participation in a $400 million loan to expand the Cananena copper mine owned by the Mexican Government.

In May 1983, the Inter-American Development Bank approved a $268 million loan to Chile's Codelco as part of a $970 million plan for the modernization and expansion of two of the lowest cost mines in the world. This loan is at a concessionary rate of interest with a 5-year grace period. Why should the lowest-cost producer receive this type of assistance?

All of this occurred during a year when the market was greatly oversupplied. The copper industry in the United States was in deep distress, and the outlook for growth in consumption was dismaying at best. 1983 was the year 16 of the 25 largest mines in the U.S. industry lost 16 cents, Chile, Peru, Panama, Brazil, and Argentina projects they would like to open or expand by the end of the century. If they finance these like they have their other projects, it will be with the help of the International Finance Corporation. I don't know who these countries think will need all this new production capability.

Current law requires that Congress be advised once a year of loans pending before the development banks. That reporting requirement is not a timely enough of a requirement to be meaningful. Congress needs this information every 90 days so that we can be aware of what projects are before the banks. The Senate passed a 90-day reporting requirement when we considered the IMF quota increase. It was changed to an annual requirement in conference. I have an amendment that will reinstate the 90-day requirement.

My amendment calls attention to the distortions in the world copper marketplace. However, what is really needed is a government-to-government negotiation for some sane production policies in the form of a voluntary production restraint agreement. The goal should be an agreement for Chile, Zambia, Zaire, and Peru to agree to reduce production from their current, excessive levels by an amount sufficient to correct the present artificial depression levels. Negotiations should seek to obtain a commitment from these countries to reduce production levels over the next 3 to 5 years to track changes in world copper consumption—thereby reversing the historical trend of merely ignoring cyclical downturns.

If this amendment is accepted I would be willing to withdraw the IMF amendments.

As I said, about 40 percent of the world's copper is being produced by countries, rather than companies and some of the government-owned producers continue to produce while there is a copper glut. In addition they receive financial assistance from the International Monetary Fund for projects that are a lower price and they receive financial assistance for some of the deficit of the copper industry.

Most of the copper caucus have co-sponsored this amendment. We are asking that the world's copper industry be left alone, that the remaining workers will be out of work unless something is done. We have only 9 of 25 copper mines that are operative today. This amendment think that if our country would sit down at the table with the principal foreign producers and just talk plain common sense we think there could be an agreement reached to reduce the world's supply. It would not have to be reduced a lot, only a little bit, to cause the price of copper to go up at a lot just a few percentage points. We think that has a chance of saving this industry and letting our few mines stay alive, and operative and put some of our people back to work.

I will outline the minimum effect of such a compromise between the world producers on American consumers. We have every indication that if there was a 19-percent increase in copper prices that the average automobile would go up $4.38; the average $90,000 house would go up $43; a dishwasher would go up 32 cents.

We think that the effect on our consumers has been completely overstated by the opponents of the copper industry. We would save a vital industry and thousands of jobs. Those who fabricate copper have opposed quotas and tariffs and while I disagree I tend to understand their concern. But they could not oppose a negotiated agreement because it would not cause two prices for copper to exist in the world. It would merely mean that the price of copper would rise slightly for everyone, foreign fabricators and Americans.
We think this is the best approach. We are sorry it did not get worked out pursuant to the International Trade Commission recommendations and order. The President chose otherwise. Now we would like to mandate that our government go to the negotiating table. We think it would work. We think it is the best relief we could get for the copper industry at this time. It has a real chance of success without hurting any other sector of the economy in the United States in the process. So I send the amendment to the desk in behalf of myself and the others that I have mentioned. Before we finish this discussion, I will add several other Senators who have a genuine interest that I am in touch with that I am sure are going to be cosponsors.

Mr. HEINZ. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state the point of order.

Mr. HEINZ. What is the pending business of the Senate? Is there an amendment that is pending?

The PRESIDING OFFICER. The amendment has just been delivered to the desk.

Mr. DOMENICI. I say to my friend from Pennsylvania that I gave my few comments before I tendered the amendment, having indicated that I would. The reason for that is that I was digesting the list of cosponsors and for that reason it was not at the desk. It is now.

Mr. HEINZ. I understand. My concern is if there was an amendment pending, action to the amendment.

The PRESIDING OFFICER. That amendment has been disposed of.

Mr. HEINZ. I thank the Chair. So only the bill is pending?

The PRESIDING OFFICER. For everybody's information the bill is pending, the committee substitute is pending, and the clerk will report the amendment of the Senator from New Mexico.

The assistant legislative clerk read as follows:

"The Senator from New Mexico (Mr. DOMENICI), for himself, Mr. BINGAMAN, Mr. MELCHER, Mr. DRAGON, Mr. GOLDBERG, Mr. LAXALT, Mr. GARN, Mr. LEVIN, Mr. HECHT, and Mr. BAUCUS) proposes an amendment numbered 4262."

Mr. DOMENICI. 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:

On page 41 of the matter proposed to be inserted, between lines 18 and 19, insert the following:

SEC. 2. NEGOTIATIONS ON RESTRAINT OF COPPER PRODUCTION.

The President, acting through the United States Trade Representative, shall immediately take action to initiate negotiations with the governments of the principal foreign copper-producing countries to conclude voluntary restraint agreements with those governments for the purpose of effecting a balanced reduction of total annual foreign copper production for a period of between 3 and 5 years in order to:

(1) allow the domestic copper industry on international markets to rise modestly to levels which will permit the remaining copper operations located in the United States to attract needed capital, and

(2) achieve a secure domestic supply of copper.

Mr. DOMENICI. Mr. President, I have discussed this amendment with the distinguished Senator from Missouri. I believe he is willing to accept it.

Mr. President, I yield the floor at this point.

The PRESIDING OFFICER. Is there further debate on the amendment?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. BINGAMAN. Mr. President, let me say a few words in support of this amendment by my colleague from New Mexico. I want to commend my colleague for preparing the amendment, and offering it. I want to indicate my great willingness to cosponsor the effort. Clearly, the situation in the domestic copper industry is extremely serious. We are all, I believe—at least those of us from copper-producing States—disappointed by the decision of the President not to go along with proposals or recommendations made by the International Trade Commission with regard to copper. But clearly, the real solution to the problem lies in the reduction of production worldwide. We have more supply today than we have demand for copper.

Something must be done to bring supply into line with demand. I believe the negotiations which are called for in this amendment would accomplish that. I urge my colleagues to support the amendment.

Thank you, Mr. President.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MELCHER. Mr. President, the amendment that is before us is the least we could do for the copper industry in this country. The results are the President's decision of a few days ago—a very damaging blow in not following the recommendations, at least one of the recommendations, made by the International Trade Commission.

What we have before us in this country—it is sad to say—is a dying industry. That is pretty tough for a lot of us to take. Those of us who come from areas of the country where copper is produced know what it means in heartaches for those families who no longer have jobs, or whose jobs are made very insecure. But it is extremely important for the United States that we retain the domestic copper industry for the benefit of all of us in this country. We are right at the crossroads of losing the last remnants of the domestic copper industry in our country.

What the amendment suggests is that an effort be made for negotiations between the President through the International Trade Commission, and the individual countries. I do not think it is enough. I do not think any of us who come from copper areas here in the United States believe that it is enough, but it is the least we can do in this particular bill.

I hope it is accepted by the entire Senate. I hope the results of it—after it is passed and enacted into law—are beneficial for us.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. BENTSEN. Mr. President, on behalf of the minority, I say that there is no objection to the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be granted leave to add additional cosponsors to the original amendment prior to the adoption of the bill by the Senate.

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

Mr. BINGAMAN. Mr. President, I am pleased to join my colleagues in sponsoring this amendment which mandates the Special Trade Representative to enter into negotiations with foreign copper producers to arrive at voluntary restraint agreements. It is regrettable the Senate is forced to take this action. I am disappointed that the President has chosen to ignore the recommendations of the International Trade Commission that relief should be provided to our domestic copper producers. I think the copper industry has made a very convincing case that relief is necessary to revive a very depressed industry. The President's actions are terribly misguided. Allowing foreign nations to dump subsidized copper on our U.S. market is contrary to the best interests of our Nation. As long as our Government continues to ignore the unfair competition from abroad, the long-term outlook for areas such as my home of Grant County, NM, is very bleak.

I will not allow our copper industry to be abandoned. It appears the administration is more interested in showing concern for Chile's debt to American banks than for the Ameri-
can copper workers. This lack of concern makes it imperative that the Congress act swiftly to provide assistance to this very important American industry.

Dramatic changes in the past few years have significantly altered the structure of the world copper industry and lend urgency that the U.S. industry. The problem in the industry is one of supply and demand. Supply far exceeds demands in the world market. This is primarily due to the fact that 40 percent of the free world's copper mines capacity is under the ownership or effective control of the governments of less developed nations. These governments operate at full production in order to maintain full employment. This over production has forced our domestic producers to curtail their own production, thus putting downward pressure on the price of copper.

The largest 25 mines were operating at the end of 1983 well below the costs of production for all but a handful of mines.

Employment dropped from 164,235 to 67,693 metric tons in 1979, and for its immediate consideration. The amendment was amended by striking out "or United States investment abroad" and inserting in lieu thereof "United States investment abroad, or trade in services".

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

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

The motion to lay on the table was agreed to.

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. WILSON. Mr. President, I have an amendment for which I will seek recognition. However, I understand that my colleagues from Hawaii and California have agreed-upon amendments. I am happy to yield briefly to them for that purpose.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

AMENDMENT NO. 4262

(Purpose: To authorize the collection of data on trade in services)

Mr. INOUYE. Mr. President, I send an amendment for which I am happy to yield briefly to the assistant legislative clerk read as follows:

The amendment is as follows:

On page 41 of the matter proposed to be inserted, between lines 18 and 19, Insert the following:

Subsection (b) of section 2 of such Act is amended—

(A) by inserting "and United States foreign trade in services, whether directly or by affiliates, including related information necessary for assessing the impact of such investment and trade," after "international investment;" the first place it appears; and

(B) by inserting "and trade in services" after "international investment;" the second place it appears.

(3) Subsection (c) of section 2 of such Act is amended by striking out "or United States investment abroad" and inserting in lieu thereof "United States investment abroad, or trade in services".

(e) Section 3 of such Act (22 U.S.C. 3102) is amended—

(1) by striking out "and" at the end of paragraph (10),

(2) by striking out the period at the end of paragraph (11) and inserting in lieu thereof a semicolon, and

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

"(12) 'trade in services' means the payment to, or receipt from, any person (whether affiliate or unaffiliated) of funds for the purchase or sale of a service; and

"(13) 'services' means the rental or leasing of tangible property, the transfer of intangible property, tourism, consumer and retail trade, and all economic outputs other than tangible goods."

(d)(1) Subsection (a) of section 4 of such Act (22 U.S.C. 3103(a)) is amended—

(A) by striking out "presentation relating to international investment" in paragraph (3) and inserting in lieu thereof "presentation".

(B) by inserting "and trade in services" after "international investment" each place it appears in paragraphs (1), (2), and (3).

(C) by striking out "and" at the end of paragraph (3),

(D) by redesignating paragraph (4) as paragraph (5), and

(E) by inserting after paragraph (3) the following new paragraph:

"(4) conduct (not more frequently than once every five years) and in addition to any other surveys conducted pursuant to paragraphs (1) and (2) a benchmark survey with respect to trade in services between unaffiliated United States persons and foreign persons; and"

(2) Subparagraph (C) of section 4(b)(2) of such Act is amended by inserting "including trade in both goods and services" after "resolving trade".

Subsection (f) of section 4 of such Act is amended by inserting "and trade in services" after "international investment;"

Subsection (b) of section 5 of such Act (22 U.S.C. 3104) is amended by striking out "international investment" each place it appears.

Mr. INOUYE. Mr. President, today, I would like to offer an amendment to H.R. 3998 that has been cleared on both sides of the aisle, and is supported by the administration.

The amendment would redesignate the International Investment Survey Act of 1976 as the International Investment and Trade in Services Survey Act.

This redesignation would grant the Bureau of Economic Analysis at the Department of Commerce, with the participation of other data-gathering
agencies, mandatory authority to collect data on service transactions between U.S. firms and unaffiliated foreign firms. Under the terms of the 1974 law, there are no required returns on transactions with affiliated foreign firms.

Amending the act will enable the Department of Commerce to collect as complete data as possible on the service sector by extending this authority to nonaffiliated foreign firms.

This will complete our efforts to compile comprehensive data on the service sector, which is comprised of three parts—domestic data, which includes foreign affiliates, and finally unaffiliated foreign entities which conduct transactions with the United States.

I have supported the efforts of our data-gathering agencies in this area on the Appropriations Committee, and I feel strongly that amending the International Investment Survey Act of 1976 to become the International Investment and Trade in Services Survey Act of 1984 is an essential, and noncontroversial way to affirm that our data-collection efforts on the service sector are as complete and accurate as possible.

I ask the support of my colleagues in supporting my amendment which would simply permit us to do the most thorough and comprehensive data collection possible. Although amending the law will place additional reporting requirements on U.S. firms in the service sector, I believe the benefits to be accrued from correcting what is now a dearth of information on the service sector will far outweigh the costs.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Hawaii (Mr. Inouye).

The amendment (No. 4263) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 4264

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from California (Mr. Cranston), proposes an amendment numbered 4264.

Mr. CRANSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 60, line 24, after the word "Canada" strike the period and insert the following, "provided that the negotiation of such eliminations or reductions takes fully into account any product that benefits from a discriminatory preferential tariff arrangement between the third country, before the tariff preference on such product has been the subject of a challenge by the U.S. government resulting in Section 301 of the Trade Act of 1974 and the General Agreement on Tariffs and Trade."

Mr. CRANSTON. Mr. President, this amendment has been cleared, too, on both sides of the aisle.

Mr. President, the amendment I am offering with my colleague from California would urge the U.S. Trade Representatives and I to take into account those products which benefit from discriminatory preferential trading arrangements between Israel and third countries. This is an issue of particular importance to citrus producers in my State of California as well as the rest of the country. These losses have been presented by one such discriminatory tariff arrangement between the European Economic Community (EEC) and Israel.

In 1969 and 1970, the EEC extended tariff preferences to Israel and other Mediterranean nations on a range of imports, including citrus and citrus products. U.S. citrus exports to the EEC have been curtailed. In fact, since the introduction of the tariff preferences, EEC imports of fresh oranges and lemons from the United States each have dropped by more than 30 percent. These losses prompted our domestic citrus industry to request that the Federal Government initiate proceedings under the General Agreement on Tariffs and Trade (GATT) to eliminate the EC-Israeli preferences. The U.S. Government accepted the petition and has been pursuing the case for over 13 years.

Mr. President, granting duty-free status to Israeli citrus which benefits from discriminatory preferential trading arrangements would undermine ongoing U.S. efforts in the pending GATT case. Moreover, such action would provide a trade benefit in the U.S. market to another country's citrus industry which has caused economic losses to our own citrus industry due to tariff discrimination in the EC market.

The amendment I have just offered addresses this situation. But I want to emphasize that it is narrow in scope and to the best of my knowledge would cover only the citrus and citrus products involved in the U.S. GATT complaint. The limited nature of the amendment assures GATT consistency. Under GATT article XXIV, a free trade area must include the elimination of duties on "substantially all" trade between the countries involved.

My amendment would not preclude this requirement from being satisfied.

Mr. President, I urge my colleagues to join me in supporting the adoption of this amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from California (Mr. Cranston).

The amendment (No. 4264) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. WILSON. Mr. President, I understand the Senator from Pennsylvania similarly has agreed-upon amendments. I yield briefly to the Senator for that purpose.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. HEINZ. Mr. President, I thank my friend, the Senator from California.

AMENDMENT NO. 4265 TO AMENDMENT NO. 4267

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

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. Heinz) proposes an amendment numbered 4265 to amendment numbered 4247.

Mr. HEINZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

In amendment No. 4247:

Strike section 618.

Strike section 618.

Strike section 621(c).

Renumber succeeding sections accordingly.

Mr. HEINZ. Mr. President, this amendment strikes from the Cohen amendment the following sections:

First, section 604, which prohibits interlocutory appeals.

Second, section 618, which changes the standard for related parties from 5 percent to 20 percent.

Third, section 621(c), relating to determination of foreign market value.

Section 604—the elimination of interlocutory appeals—would provide for complete elimination of intermediate appeals in antidumping and countervailing duty proceedings. The chief reason put forth for elimination of interlocutory appeals in trade cases is
cost savings, an important goal in trade-law reform which we support. However, Senator Heinz is mistaken if he have the right to determine whether to incur the additional cost of an intermediate appeal to protect themselves from further injury. Moreover, in view of the the tariff and material injury appeals in other legal proceedings, there is no sound basis for denying parties in international trade actions similar rights. We see value to intermediate review of decisions made during the investigatory process. Such review has been particularly helpful in effectively implementing the intent of Congress regarding the 1979 act.

Section 618-definition of related parties—would change the definition of what is or is not an arm’s-length relationship between related parties, by raising the level of permitted equity ownership from 5 to 20 percent in certain instances. I support retention of the 5-percent level as the appropriate level of equity ownership in defining an interest between related parties. In today’s economic world, 20 percent is simply too high.

Section 621—foreign market value-seeeks, among other things, to clarify the criteria for determining viability of the home market. One of its provisions would require that sales in the home market be proportionate to sales to the United States in order for the Home-market price to be used to determine fair value. This could be disadvantageous to domestic industries, especially in those cases where foreign plants are built in relatively small countries with output far beyond requirements of local demand. Often in such instances, the United States is the primary sales target, and the amounts of the product sold in the home market constitute only a small portion of total production. Typically, relatively low prices are used in protected home market, but the product is sold both in the United States and in third countries at lower prices. If section 21 is adopted, the normally higher home market price and is used in these circumstances, and instead low-priced sales to third countries would be the basis for fair value. In view of this potential adverse impact, I believe this provision should be deleted and studied further.

Mr. President, a moment ago, we adopted the Cohen amendment No. 4247. This amendment would make certain changes in the Cohen amendment that have been discussed with Senator COHEN, Senator DANNFORTH, and all of the parties, and is acceptable to all. I did not, due to some confusion in the parliamentary situation, offer it when the Cohen amendment was up. I would therefore ask unanimous consent that notwithstanding the previous action taken by the Senate, the provisions of this amendment be incorporated into the Cohen amendment.

Mr. HEINZ. Mr. President, I would have to say to my friend that we have not as yet cleared it.

We would be delighted to take a look at it.

Mr. HEINZ. Mr. President, I withdraw the amendment, and will offer it at a later time.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 4266

(Purpose: to impose U.S. trade laws)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. Hart), for himself, Mr. MORWAN, Mr. MITCHELL, and Mr. FORD, proposes amendment number 4266.

Mr. HEINZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of amendment No. 4244, add the following new title:

TITLE—TRADE LAW REFORM

SECTION 1. REFERENCE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a title, subtitle, part, section, or other provision, the reference shall be considered to be made to a title, subtitle, part, section, or other provision of the Tariff Act of 1930 (19 U.S.C. 1202 et seq.).

SEC. 2. BURDEN OF PERSUASION.

Section 751 of the Tariff Act of 1930 (19 U.S.C. 1675) is amended by adding at the end of subsection (b)(1) the following:

“During an investigation by the Commission, the party seeking revocation of an antidumping order shall have the burden of persuasion with respect to whether there are changed circumstances sufficient to warrant revocation of the antidumping order.”

SEC. 3. CONSIDERATION OF CUMULATIVE IMPACT OF IMPORTS.

Subparagraph (E) of section 771(17) (19 U.S.C. 1677(17)(E)) is amended by adding at the end thereof the following new clause:

“(iii) CUMULATION.—In determining material injury or threat of material injury under sections 703, 705, 733, or 735 of this subtitle, the Commission shall consider the cumulative impact of imports from two or more subject to investigation under sections 701 or 703 or subject to final orders under sections 706 or 736, as appropriate, if, after consideration of the factors and conditions of trade, the Commission determines that:

(1) the marketing of such imports is reasonably coincident, and

(2) imports from each source have contributed to the overall material injury to the industry resulting from imports.”

SEC. 4. THREAT OF MATERIAL INJURY.

Paragraph (7) of section 771 (19 U.S.C. 1677(7)) is amended by inserting after subparagraph (E) the following new subparagraph:

“(P) THREAT OF MATERIAL INJURY.—

(i) in general.—In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of any merchandise, the Commission shall consider, among other relevant economic factors:

(I) if a subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the subsidy is an export subsidy inconsistent with the Agreement),

(II) any increase in production capacity or existing unused capacity in the exporting country likely to result in a significant increase in imports of the merchandise to the United States,

(III) any rapid increase in United States market penetration and the likelihood that the penetration will increase to an injurious level,

(IV) the probability that imports of the merchandise will enter the United States at prices that will have the effect of depressing prices that are used to produce products subject to investigation(s) under sections 701 or 731 or to final orders under sections 706 or 736, are also used to produce the merchandise under investigation.

(II) BASIS FOR DETERMINATION.—Any determination by the Commission under this title that an industry in the United States is threatened with material injury shall be based on a finding that the threat of material injury is real and that actual injury is imminent. Such a determination may not be made on the basis of mere conjecture or supposition.

SEC. 5. VERIFICATION OF AMOUNT OF NET SUBSIDY.

Section 771(b) (19 U.S.C. 1677) is amended by inserting “verified” before “amount.”

SEC. 6. NO COMPROMISES OF COUNTERVAILING OR ANTIDUMPING DUTY CASES.

Section 617 (19 U.S.C. 1617) is amended by striking out “Upon” and inserting in lieu thereof “(a) Upon”.

(2) by adding at the end thereof the following new subsection:

“(b) This section shall not apply to any claim arising with respect to any duty imposed by title VII of this Act.”

SEC. 7. ENFORCEMENT OF COUNTERVAILING DUTY ORDERS.

(a) Paragraph (2) of section 104(b) of the Trade Agreements Act of 1979 (19 U.S.C. 1671b) is amended by adding at the end thereof the following new sentence: “A negative determination by the Commission under this paragraph shall not be based, in
The term "upstream" shall be treated as one country such use that is lower than the generally subject of an subparagraph. In which manufacturing which occurred under investigation, the administering authority shall adjust such generally available price so as to offset such depression before applying subparagraph (A)(II).

"C" INCLUSION OF AMOUNT OF SUBSIDY.—If the administering authority decides, during the course of an investigation under subparagraph A or B, that an upstream subsidy is being or has been paid or bestowed with respect to the merchandise under investigation, the administering authority shall include in the amount of any countervailing duty or antidumping duty imposed under that subsection on the merchandise an amount equal to the difference between the prices referred to in subparagraph (A)(I), adjusted, if appropriate, for artificial depression.

SEC. 11. COUNTERVAILING DUTIES APPLY ON COUNTRY-WIDE BASIS.

Subsection (b) of section 708 (19 U.S.C. 1671c(b)) is amended—

(1) by redesigning paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(2) by adding after paragraph (1) the following new paragraph:

"(2) shall apply equally to all merchandise of such class or kind exported from the country investigated, except that if—

(A) the administering authority determines there is a significant differential between companies receiving subsidy benefits, or

(B) a State-owned enterprise is involved, the order may provide for differing counter­ vailing duties.

SEC. 12. SPECIAL RULES REGARDING DOWN­ STREAM DUMPING.

(a) Section 771 of the Tariff Act of 1930 (19 U.S.C. 1771) is amended by adding a new paragraph (18) to read as follows:

(D) DOWNSTREAM DUMPING.—

(1) DEFINITION.—Downstream dumping occurs when—

(A) a material or component incorporated in merchandise subject to investigation under subtitle A of title VII is produced in another country by the manufacturer or producer at a price that is below its foreign market value (as determined under subtitle B without regard to this subsection),

(B) that purchase price—

(i) is lower than the generally available price of the material component in the country of manufacture or production, or

(ii) if in the judgment of the administering authority the generally available price of the material or component in the country of manufacture or production is artificially depressed by reason of sales at below foreign market value, the price at which the material or component would be generally available in such country but for such sales shall be the price of the downstream dumping with respect to that component or material, as determined under section 773(e)(2), has a significant effect on the cost of manufacturing or producing the merchandise under investigation.

(b) Section 773 of the Tariff Act of 1930 (19 U.S.C. 1773(b)) is amended as follows:

(1) By amending paragraph (a) to insert a new subparagraph (3) to read as follows:
"(A) In cases in which the preliminary determination was negative, the time period within which a final determination must be made shall be extended to 165 days under section 735(b)(1) or to the date of publication under section 735(a)(2), as appropriate; or,

"(B) In cases in which the preliminary determination was affirmative, the time period within which a final determination must be made shall be extended to 165 days under section 735(a)(1) or 225 days under section 735(a)(2), as appropriate, except that the suspension of liquidation ordered in the preliminary determination shall terminate at the end of 120 days from the date of publication of that determination and not be renewed unless and until the publication of an Antidumping Duty Order under section 736(a).

There may be an extension of time for the making of a final determination under this subsection only if the administering authority determines that such additional time is necessary to make the required determination concerning downstream dumping.

SEC. 12. QUANTITATIVE RESTRICTIONS AGREEMENT.

Subsection (a) of section 734 (19 U.S.C. 1673c(c)) is amended by adding at the end thereof the following new paragraph:

"(3) QUANTITATIVE RESTRICTIONS AGREEMENT.—The administering authority may accept an agreement with—

"(A) the government of the country in which the merchandise which is the subject of the investigation was produced, or

"(B) the exporters of such merchandise who account for substantially all the imports of such merchandise, to restrict the volume of imports of such merchandise into the United States if the agreement will eliminate completely the injurious effect of the imports of the merchandise to the United States."

Subsection (d) of section 734 (19 U.S.C. 1673c(d)) is amended by adding at the end thereof the following new paragraph:

"(1) REGULATIONS GOVERNING ENTRY ON WITHDRAWALS.—In order to carry out an agreement concluded under subsection (b), or (c) of this section, the administering authority is authorized to prescribe regulations governing the entry, or withdrawal from warehouse, for consumption of merchandise subject to an agreement under section 736(a)."

SEC. 14. SECURITY IN LIEU OF ESTIMATED DUTY.

(a) Paragraph (1) of section 736(c) (19 U.S.C. 1673c(c)) is amended to read as follows:

"(1) CONDITIONS FOR WAIVER OF DEPOSIT OF ESTIMATED DUTY.—The administering authority may not accept a deposit of estimated antidumping duties required by subsection (a)(3) if—

"(A) the case has not been designated an extraordinary case by reason of—

"(i) the number and complexity of the transactions to be investigated or adjustments to be made under the provisions of antidumping law, or

"(ii) the novelty of the issues presented, or

"(iii) the number of firms whose activities must be investigated, or

"(B) the final determination has not been postponed under section 735(a)(3)(A); and

"(b) Paragraph (2) of section 736(c) (19 U.S.C. 1673c(e)(2)) is amended by adding at the end thereof the following new subparagraph:

"(c) SPECIAL RULES.—In making determinations under paragraph (1) of subsection (c), the existence of sales for future delivery or irrevocable offers to sell the merchandise that are not subject to any economic condition as a basis for an affirmative determination."

(b) Paragraph (2) of section 736(c) (19 U.S.C. 1673c(e)(2)) is amended by adding at the end thereof the following new subparagraph:

"(c) SPECIAL RULES.—In making determinations under paragraph (1) of subsection (c), the absence of a history of imports in sufficient volume to be a present cause of material injury shall not be a basis for a determination not to initiate an investigation if a sufficient allegation of threat of material injury is made."

Mr. HEINZ. Mr. President, I offer this amendment on behalf of myself, Mr. MOWTHAN, Mr. MITCHELL, and Mr. FORD.

Mr. President, this is a package of small, but necessary, corrections to our antidumping and countervailing duty statutes that we enacted in 1979. They are, in many cases, things that the administration has already endorsed. They are also largely items that we have discussed at one time or another in the Finance Committee. While I would be happy to discuss..."
them more, they have already been discussed at some length, it is my un-
derstanding, with the Trade Subcom-
mittee and its staff. I understand there is no objection to them.

Mr. President, the Congress has not passed major labor-industry trade reform legisla-
tion since 1979, when we enacted the landmark Trade Agreements Act of 1979 which codified the changes agreed upon in the Multilateral Trade Agreements.

Since that time the agency adminis-
tering these laws has changed from the Treasury Department to the Com-
merce Department, largely due to con-
gressional dissatisfaction with the formers lax administration. In addi-
tion, the Congress, as well as domestic industries and foreign producers and importers have had 5 years experience with the statute and 5 years to uncover its flaws.

Regrettably, but not surprisingly, there were flaws. In any law that long mistakes are inevitable. In working with them during the past years we have discovered some omissions, some provisions that have not worked as smoothly as intended, and some provisions that various parties have been able to exploit to their own narrow advantage contrary to our intent in enacting the legislation.

These concerns, Mr. President, have led to a thorough review of our current trade laws in the past 2 years and to numerous proposals for change.

The most extensive review was in the House, where Congressman Gressens, the chairman of the Subcommittees on International Trade, held literally weekly hearings reviewing the law in great detail. His efforts culminated in House passage of H.R. 4784, on the whole a thoughtful and constructive effort, though there are portions of it that concern me. I regret that the Finance Committee has not yet taken that bill up.

Despite not having reported trade reform legislation, the Finance Com-
mittee has held some hearings, and a number of us have done considerable work behind the scenes in trying to fashion some amendments to the bill before us today that will address some of the flaws in existing law I have alluded to. One such amendment is the one I am offering today.

My amendment, Mr. President, grows out of S. 2139, the Comprehensive Trade Law Reform Act of 1983 which I introduced, along with Sena-

TOR MOYNIHAN and Senator MITCHELL, last November. That bill was devel-

oped and endorsed by the Trade Reform Action Coalition, known as TRAC, a broad-based labor-industry
collaboration of companies and associations that have had considerable experience with our trade laws. Mr. Presi-
dent, I ask that a list of TRAC mem-

bers be printed at this point in the
RECORD. The list follows:
MEMBERS OF THE TRADE REFORM ACTION
COALITION (TRAC)

An alliance of U.S. companies, trade associa-
tions, unions, and workers in the automo-
tive parts, chemicals, coal, color television, fiber/textile/apparel, footwear, furniture, leather goods, metals, nonferrous
metals, and steel industries.

AMERICAN FIBER, TEXTILE, APPAREL COALITION
(FACT)

AFACT is a coalition of 18 trade associations and two labor unions representing the fiber/textile/apparel complex of the United States. It evolved for the purpose of repre-
senting these industries in issues of interna-
tional trade.

The coalition is representative of an in-
dustry with facilities in 50 states, with em-
ployment totaling 2.4 million and sales ac-
counting for $105 billion.

AFACT members:

Amalgamated Clothing & Textile Workers Union.
American Apparel Manufacturers Associa-
tion.
American Textile Manufacturers Institute.
American Yarn Spinners Association.
Carpet & Rug Institute.
Clothing Manufacturers Association of America.
International Ladies Garment Workers Union.
Knitted Textile Association.
Luggage & Leather Goods Manufacturers of America.
Man-Made Fiber Producers Association, Inc.
National Association of Hosiery Manufac-
turers.
National Association of Uniform Manufac-
turers.
National Cotton Council of America.
National Knitwear Manufacturers Associa-
tion.
National Knitwear & Sportswear Associa-
tion.
National Wool Growers Association.
Neckwear Association of America.
Northern Textile Association.
Textile Distributors Association, Inc.
Work Glove Manufacturers Association.

AMERICAN FURNITURE MANUFACTURERS
ASSOCIATION (AFMA)

The American Furniture Manufacturers Associa-
tion (AFMA) is the largest furniture
industry trade association in the United
States. The Association is representative of home
offices and facilities in 40 states, with em-
ployment over 225,000 and a total sales of
$10 billion.

AMERICAN IRON & STEEL INSTITUTE (AISI)

AISI is the principal trade association rep-
resenting the United States steel industry. It
has 57 domestic member companies produce
88 percent of the raw steel in the United
States at facilities in 39 states.

In 1983, with respect to member compa-

nies providing financial data, total sales were
$52.9 billion and employment was
384,000.

AUTOMOTIVE SERVICE INDUSTRY ASSOCIATION
(ASIA)

ASIA represents the automotive aftermarket
industry, including wholesalers/distributors and manufacturers. Member

 companies total over 8,500 and represent 50

states.

September 18, 1984

Total sales for 1983 wholesale and distribu-
tion were about $9 billion and employ-
ment was 57,000.

GROUP OF 33 (AD HOC LABOR INDUSTRY TRADE
COALITION)

The Group of 33 is an ad hoc labor-industry
trade coalition formed in 1978 to advocate
changes in import trade remedy laws, with
particular focus on the Multilateral Trade
Negotiations, subsidies code and 1979 Trade
Act Agreement.

The 26 industry trade associations and five
labor unions that make up the Group of
33 represent a wide diversity of industries
which include footwear, leather products,
chemicals, lead and zinc, textile machinery,
industrial equipment, various textile and ap-
parel products, and agricultural products.

Group of 33 members:

American Apparel Manufacturers Associ-
a
American Brush Manufacturers Associa-
tion.
American Federation of Fishermen.
American Mushroom Institute.
American Pipe Fittings Association.
American Textile Manufacturers Insti-
tute.
American Yarn Spinners Association.
Association of Synthetic Yarn Manufac-
turers.
Bicycle Manufacturers Association of
America, Inc.
Cast Iron Soil Pipe Institute.
Clothing Manufacturers Association.
Copper and Brass Fabricators Council, Inc.
Fallow Trade Industries of America, Inc.
International Ladies Garment Workers
Union, AFL-CIO.
International Leather Goods, Plastics &
Novelty Workers Union, AFL-CIO.
Lead-Zinc Producers Committee.
Man-Made Fiber Producers Association.
National Association of Chain Manufac-
turers.
National Association of Hosiery Manufac-
turers.
National Cotton Council.
National Knitwear & Sportswear Associa-
tion.
National Knitwear Manufacturers Associa-
tion.
Northern Textile Association.
Scale Manufacturers Association, Inc.
Synthetic Organic Chemical Manufacturers
Association.
Textile Distributors Association.
United Food and Commercial Workers
International Union, AFL-CIO.
Valve Manufacturers Association.
Work Glove Manufacturers Association.

MPTC WORKING PARTY TRADE COALITION (MPTC)

The MPTC is a coalition of 36 trade associa-
tions representing the U.S. metal parts
industries that joined together in 1982 to
seek government cooperation and action to
assure fair trade between the United States
and its world trading partners.

MPTC members:

Alliance of Metalworking Industries.
American Chain Association.
American Cutlery Manufacturers Associa-
tion.
American Die Casting Institute.
American Gear Manufacturers Association.
American Institute of Steel Construction, Inc.
American Pipe Fitting Association.
American Metal Stamping Association (Washer Div.)
American Wire Producers Association.
Anti-Friction Bearing Manufacturers Association.
Association of Die Shops International.
Brass and Bronze Ingot Institute.
Cast Metal Institute.
Cutting Tool Manufacturers Association.
Expanded Metal Manufacturers Association.
Forging Industry Association.
Hand Tools Institute.
Industrial Fasteners Institute.
Industrial Perforators Association, Inc.
Investment Casting Institute.
Iron Castings Society.
Metal Cutting Tool Institute.
Metal Treating Institute.
National Association of Pattern Manufacturers.
National Tooling and Machining Association.
National Foundry Association.
National Association of Chain Manufacturers.
Non-Ferrous Founders' Society.
Plumbing Manufacturers Institute.
Steel Pipe Institute.
Steel Plate Fabricators Association, Inc.
Tool & Die Institute.
U.S. Fastener Manufacturing Group.
Valve Manufacturers Association.
Welded Steel Tube Institute.

NATIONAL COAL ASSOCIATION (NCA)

The NCA represents 150 companies in the coal industry. Its principle companies represent the nations coal producer and a small number of coal transporters and coal industry suppliers.

The association represents an industry with facilities in 25 states with total employment of 130,000 and total sales of $12-$15 billion.

STEEL SERVICE CENTER INSTITUTE (SSCI)

SSCI is a trade association representing almost 500 North American companies in the steel service industry, with 900 service centers in industrial areas. Service centers are divided into three types: industrial steel service centers, merchant products distributors and oil country jobbers. Approximately 124 steel producers are associate members.

With total sales of $20-22 billion, SSCI members employ 120,000 people in 49 states.

Mr. HEINZ, Mr. President, in offering this amendment I would not want to speak further without mentioning my own gratitude and appreciation to TRAC members for the work they have done, both on the bill and in fashioning this amendment. TRAC has no staff and no office of its own. Its resources are the time and talent that can be contributed by its member staffs outside their normal duties. In that regard, many people too numerous to mention here have devoted literally hundreds of hours to the creation of a competent and effective product—in drafting, in meetings with my staff, with me, and amongst themselves—to identify current trade law problems and to develop equitable remedies for them. This amendment is the culmination of that effort, and I am grateful to TRAC members for their work in producing it.

The original TRAC bill, S. 2139, contained 54 amendments to current trade law, including a major rewrite of section 201 through 206 of the Trade Act of 1974, the so-called escape clause provisions of law, used recently by the footwear, copper, and steel industries, among others, as well as some major revisions to the section 301 process, which is the U.S. Trade Representative's authority to attack unfair trade practices of other nations in the GATT forum and through direct action in the domestic industry. That is an idea—also reflected in other legislation proposed by Members of this body, notably the Senator from Massachusetts [Mr. KENNEDY]—whose time is rapidly coming but appears not to be quite here yet. The recent parade of 201 cases through the bureaucracy has helped to convince Members of Congress that the number of cases is growing in the administration that import relief ought not to be provided in these cases without an appropriate quid pro quo. That can be done without getting into the concept of industrial policy in its most intrusive sense, which I oppose. Nevertheless, we need to do some more educating about this concept, particularly its details, and I have decided not to press forward with it on the pending bill. At a later time, however, it will reappear, and, I am confident, will ultimately be approved.

That brings us, Mr. President, to the 18 sections of my amendment. These provisions are intended to deal with problems with current law that have developed since 1979. In most cases the provisions address specific incidents that have occurred. In discussing these provisions with the administration, they have periodically made the point that the proposed changes correct abuses which occurred in the past but which are not practices of the present administrators of the law. That is largely true, Mr. President, and I want to commend the Commerce Department's Deputy Assistant Secretary for Import Administration, Alan Holmer, for his responsiveness to these concerns. The fact remains, however, that responsive though Mr. Holmer may be, his predecessors were not, and there is no guarantee his successors will be either. Therefore, I reiterate my belief that it is better policy to put into the law some clarifications that will ensure that past practices everyone agrees were abuses will not be repeated by different administrators in the future.

Before describing the provisions in detail, I would also mention that most of them are not controversial and reflect agreements with administration spokesmen. In that regard I am grateful to Mr. Holmer, and to Claud Ginrich, USTR's general counsel, for their efforts on this amendment. While this package by no means contains everything I wanted or TRAC proposed, it is a solid beginning that contains a number of important items. Since the Commerce Department has consistently stated its support for comprehensive trade law review and reform next year, I will be looking forward to working with the administration and the committee again at that time to tackle some of the issues that have fallen by the wayside this year.

Now, Mr. President, let me briefly describe the contents of this amendment.

Section 2 (burden of persuasion) would make clear that in seeking revocation of an antidumping duty order, the burden of persuasion of showing that changed circumstances exist that would warrant the revocation is on the party seeking the revocation.

Section 3 (cumulative effect) would require cumulation of imports from multiple sources when considering injury when the Commission determines that the marketing of the imports in question coincident, and when imports from each source have contributed to the overall material injury to the industry resulting from the imports. That, of course, is a lower standard than requiring that the imports from each source themselves be causing material injury. This does not go as far as I would like, Mr. President, or as far as the House bill, H.R. 4784, but it is a reasonable beginning on which a good compromise can be constructed in conference.

Section 4 (threat of material injury) would provide specific criteria for ITC Commissioners to consider when determining if a threat of material injury exists. It would not require action by Commissioners, but it would give them some specific guidelines to
consider with respect to threat that are entirely lacking under current law. Section 4 does not contain a number of additional criteria related to threat which are included in S. 2139 (such as those dealing with reference time periods), but it still represents a worthwhile improvement over the existing statute.

Section 5 (verification of amount of net subsidy) would address the serious problem of acceptance of export taxes as offset to a subsidy, when it is difficult to determine whether or not such taxes are fully collected in a timely manner. Particularly when the company in question is owned by the Government, there is a serious concern as to whether a tax is simply transferring funds from one pocket to another and not offsetting the subsidy in any meaningful way. Requiring that such offsets be verified will give the Commerce Department a better means of determining whether a suspension agreement involving one is actually being implemented as promised.

Section 6 (promise of outstanding duties) would prohibit the compromise of outstanding duties owed, such as occurred in 1980 in a dumping case involving color TVs that were exported to Brazil at prices 18 cents on the dollar. That took place under a previous administration. I believe that Congress never intended AD or CVD duties to be compromised in this fashion by any administration.

Section 7 (negative CVD injury determinations based on export taxes) would preclude the ITC from reaching negative injury determinations in CVD cases where a tax is simply transferring funds from one pocket to another and not offsetting the subsidy in any meaningful way. Requiring that such offsets be verified will give the Commerce Department a better means of determining whether a suspension agreement involving one is actually being implemented as promised.

Section 8 (negative injury determinations in CVD petitions which are filed simultaneously and which involve like imports from the same or other countries. This would not be injurious to petitioners since it would not extend the date for preliminary Commerce Department determinations, and would not be burdensome to the Department of Commerce because it would not shorten AD time periods. The language of section 9 would be to reduce costs for petitioners, respondents and the Commerce Department in those situations where it would be invoked.

Section 9 (simultaneous investigations) would extend final CVD terminations to the date of final AD determinations for AD and CVD petitions which are filed simultaneously and which involve like imports from the same or other countries. This would be injurious to petitioners since it would not extend the date for preliminary Commerce Department determinations, and would not be burdensome to the Department of Commerce because it would not shorten AD time periods. The language of section 9 would be to reduce costs for petitioners, respondents and the Commerce Department in those situations where it would be invoked.

Section 10 (company-specific CVD determinations) would clarify that foreign government-subsidized imports (that is, upstream subsidies) are countervailable when their effects are passed through to the producers of the end product. This language is taken from Congressman Groniggs trade bill, H.R. 4784. It would codify what the Commerce Department has interpreted practice, and would ensure that the Commerce Department not interpret countervailable subsidies in such a narrow way as to contravene congressional intent. I emphasize that this is not the so-called national resources provision in H.R. 4784.

Section 11 (countrywide CVD determinations) would require a presumption of countrywide (rather than company-specific) CVD determinations, except where significant subsidy differentials exist between companies securing benefits or in the case of state-owned companies receiving direct cash infusions. This would allow the Department of Commerce to presume a weighted average subsidy margin with respect to different companies within the same country that export like products under investigation (except where it is clearly unfair to do so), and would hopefully address also the concerns expressed in a pending appeal before the Court of International Trade. In this pending appeal, LTV Steel and other plaintiffs have urged the application of a countrywide CVD margin with respect to three Brazilian steel producers affected by final CVD rulings (with margins ranging from 17% to 25% percent), because the holding company which owns the three companies has announced that it plans to reprice its exports of the affected product to the company with the lowest margin. This provision is intended to ensure against such trade law evasion and also ease the administrative burden on the Commerce Department.

Section 12 (preferential pricing of inputs and constructed value) would direct the Department of Commerce to take preferential pricing of inputs into account in both AD and CVD cases where the price of inputs into the finished product is found to be unreasonable (that is, discounted or below the cost of production). By establishing a definition of downstream dumping to include the full value of costs (rather than the purchase price) by the provision, section 12 would prevent the kind of trade law evasion which recently occurred when the Department of Commerce found a zero dumping margin in a case involving Italian forged undercarriages, while the provision would close the loophole that enable foreign producers of inputs to sell their products at preferential prices to exporters of finished goods in the same or third countries without fear of trade law consequences in the U.S. market.

Section 13 (AD suspension agreements by quantitative restriction) would allow the Commerce Department to accept and enforce quantitatively restricted suspension agreements with foreign governments or exporters in AD cases (provided they eliminate the injurious effects of dumping), as is presently allowed for CVD suspension agreements. In most cases, petitioners would prefer dumping (as well as subsidy) cases to go to term but, in some cases, QR agreements are preferred by foreign respondents and the U.S. Government. This provision would provide the flexibility to act accordingly in such cases. Since foreign government subsidies frequently allow nominally private foreign companies to continue to dump indefinitely, it makes no sense to allow QR suspension agreements in CVD investigations and to deny them in AD cases. Section 13 would correct this anomaly in U.S. trade law, and would make the same amendment in the same section of the trade bill.
cases on the basis of both QR agreements and price undertakings.

Section 14 (the 90-day fast-track review period) would add three new criteria for the institution of expedited reviews of antidumping orders, and allow for written comments by interested parties before the decision is made to conduct such a review. By requiring, first, normal AD time lines, second, evidence of a significant anticipated margin differential, and third, representative sales as the basis for review, section 14 would ensure that this procedure does not cause further injury to petitioners. While many would prefer the complete elimination of the 90-day review period (since it has been gravely abused by respondents who have used sham sales and exchange rate manipulation to reduce or eliminate final dumping margins), this amendment represents a good beginning.

Section 15 (steel products trade enforcement) would modify an already existing U.S. law in order to ensure effective monitoring and enforcement of foreign government measures which involve the issuance of steel product licenses.

Section 16, 17, and 18 (sales for importation, sales for delivery and irrevocable offers) are intended to clarify that likely sales (or irrevocable offers) as well as equivalent-of-sales leasing arrangements are, first, sufficient to proceed with a dumping or subsidy investigation, second, sufficient to find that goods are being dumped or subsidized, and third, sufficient to find injury or the threat thereof. These provisions are intended to resolve the analytical and procedural uncertainty which existed in the 1982 CVD self-case involving Budd and Bombardier. In that case, there were offers for sale, lost domestic business, but no actual imports.

Mr. BENTSSEN. Mr. President, I say to the Senator from Pennsylvania that we also have had an opportunity to examine his first amendment. We have no objection to that amendment, nor do we have any objection to the second one.

Mr. DANFORTH. Mr. President, I have no objection to either amendment.

I want to express my appreciation to Senator Heinz for his work on the amendment, which is just being offered. I think this is a step forward in the trade area.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Pennsylvania [Mr. Heinz].

The amendment (No. 4266) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 4265 TO AMENDMENT NO. 4247
Mr. HEINZ. Mr. President, I renew my request that my previous amendment be called up and be incorporated by unanimous consent.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment is before the Senate. Is there further debate? If not, the question is to agreeing on the amendment.

The amendment (No. 4265) was agreed to.

AMENDMENT NO. 4267
Mr. HEINZ. Mr. President, I send a third and last amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk reads as follows:

The Senator from Pennsylvania [Mr. Heinz] proposes an amendment numbered 4267.

Mr. HEINZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of amendment No. 4244, add the following new title:

TITLE -TRADE WITH NONMARKET ECONOMIES

SECTION 1. CREATION OF ARTIFICIAL PRICING INVESTIGATION REMEDY

(a) AMENDMENT OF TITLE VII.—Title VII of the Tariff Act of 1930 (19 U.S.C. 1871 et seq.) is amended by redesignating subtitles C and D as subtitles B and E, respectively, and by inserting after subtitle B the following new subtitle:

"Subtitle C—Imposition of Artificial Pricing Duties"

"SEC. 741. ARTIFICIAL PRICING DUTIES IMPOSED.

(a) In General.—If—

"(1) the administering authority determines that a class or kind of merchandise which is the product of a nonmarket economy country is being, or is likely to be, sold in the United States at an artificial price, and

"(2) in the case of a country which is a party to the General Agreement on Tariffs and Trade, or which is a country under the Agreement pursuant to section 701(b), the Commerce determines that—

"(A) an industry in the United States—

"(i) is materially injured, or

"(ii) is threatened with material injury, or

"(B) the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise, then there shall be imposed upon such merchandise an amount equal to the amount by which the minimum allowable import price exceeds the actual price for such merchandise.

"(b) DUTY IN ADDITION TO OTHER DUTIES.—Any duty imposed under this section shall be in addition to any other duty other than a countervailing or antidumping duty.

"SEC. 742. PROCEDURES FOR INITIATING AN ARTIFICIAL PRICING DUTY INVESTIGATION.

(a) INITIATION BY ADMINISTERING AUTHORITY.—An artificial pricing duty investigation shall be commenced whenever the administering authority determines, from information available to it, that a formal investigation is warranted into the question of whether the elements necessary for the imposition of a duty under section 741 exist. If the investigation concerns a country which is a party to the General Agreement on Tariffs and Trade, or which is a country under the Agreement pursuant to section 701(b), the administering authority shall immediately notify the Commission in the manner prescribed in subsection (d).

(b) INITIATION BY PETITION.—

"(1) Petition requirements.—

"(A) FILING OF PETITION.—An artificial pricing duty proceeding shall be commenced whenever an interested party described in subparagraph (C), (D), or (E) of section 771(b) files a petition with the administering authority, on behalf of an industry, which—

"(i) alleges the elements necessary for the imposition of the duty imposed by section 741, and

"(ii) is accompanied by information reasonably available to the petitioner supporting the allegations.

"(B) AMENDMENT OF PETITION.—Any petition under this paragraph may be amended at such time, and upon such conditions, as the administering authority and the Commission may permit.

"(2) SIMULTANEOUS FILING WITH COMMISSION.—The petitioner shall file a copy of the petition with the Commission on the same day as it is filed with the administering authority, if the allegations are made against a country which is a party to the General Agreement on Tariffs and Trade, or which is a country under the Agreement pursuant to section 701(b).

"(c) PETITION DETERMINATION.—Within 20 days after the date on which a petition is filed under subsection (b), the administering authority shall—

"(1) determine whether the petition alleges the elements necessary for the imposition of a duty under section 741 and contains information reasonably available to the petitioner supporting the allegations;

"(2) determine whether the subject of the petition is a nonmarket economy country;

"(3) if the determination under paragraphs (1) and (2) are affirmative—

"(A) commence an investigation to determine whether the class or kind of merchandise described in the petition is being, or is likely to be, sold in the United States at an artificial price, and

"(B) provide for the publication of notice of the determinations in the Federal Register.

"(d) DUTY IN ADDITION TO OTHER DUTIES.—Any duty imposed under this section shall be in addition to any other duty
"(d) Notification to Commission of Determination.—In the case of a petition making allegations against a country that is a party to the General Agreement on Tariffs and Trade, or which is a country under the jurisdiction of the President of section 701(b), the administering authority shall—

(1) notify the Commission immediately of the filing of a petition under subsection (a) or (c) by the administering authority, and

(2) if the determination is affirmative, make available to the Commission such information as the administering authority may have relating to the matter under investigation.

Information shall be made available under paragraph (2) under such procedures as the administering authority and the Commission may establish. Each notice shall include disclosure of any information to which confidential treatment has been given by the administering authority.

(2) No Duplication of Investigation.—Except as provided in section 748(b), the administering authority shall not initiate an administrative proceeding pursuant to a petition filed by an entity with respect to the artificial pricing of an article from a nonmarket economy country with respect to which another entity filed a petition for a countervailing duty or antidumping duty investigation under section 301 of the Trade Act of 1974 (22 U.S.C. 2413) or this title if—

(1) the countervailing duty or antidumping duty proceeding is in process, or

(2) a countervailing duty or antidumping duty is in effect with respect to the subject of the investigation for a country under investigation, or

(a) Determinations by Commission of Reasonable Indication of Injury.—Except in the case of a petition dismissed by the administering authority under section 742(c) (4) or (5), the Commission within 45 days after the date on which a petition is filed under subsection (a) shall make a determination, based upon the best information available to the Commission at the time of the determination, of whether there is a reasonable indication that—

(1) an industry in the United States—

(A) is materially injured, or

(B) is materially injured with material injury, or

(2) the establishment of an industry in the United States is materially retarded, by reason of imports of the merchandise which is the subject of the investigation by the administering authority. If that determination is negative, the investigation shall be terminated.

(b) Preliminary Determination by Administering Authority.—Within 90 days after the date on which a petition is filed under section 742(b), or an investigation is commenced under section 742(a), but not before an affirmative determination by the Commission in the case of a petition under section 742(a), the administering authority shall make a determination, based upon the best information available to such administering authority at the time of the determination, of whether there is a reasonable basis to believe or suspect that the merchandise that is the subject of the petition is sold at an artificial price. If the determination of the administering authority is affirmative, the determination shall include the estimated average amount by which the minimum allowable import price exceeds the actual price for such merchandise.

(c) Extension of Period in Extraordinarily Circumstances.—

(1) In General.—If—

(A) the petitioner makes a timely request for an extension of the period within which the determination must be made under subsection (b), or

(B) the administering authority concludes that the foreign government or the government of the nonmarket economy country under investigation is not cooperating or has suspended cooperation, then the administering authority shall promptly determine, on the basis of the best information available to the administering authority at that time, whether there is a reasonable basis to believe or suspect that—

(i) there is dumping or an artificial pricing in the United States or elsewhere of the class or kind of merchandise which is the subject of the investigation, or

(ii) the person or persons by whose account, or for whose account, the merchandise was imported knew or should have known that the exporter was aware that the merchandise which is the subject of the investigation at an artificial price, and

(2) there have been massive imports of the class or kind of merchandise which is the subject of the investigation over a relatively short period.

(d) Suspension of Liquidation.—If the determination of the administering authority under paragraph (1) is affirmative, then any suspension of liquidation ordered under subparagraph (D) shall apply, or, if notice of such suspension of liquidation is already published, be amended to apply, to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the date on which suspension of liquidation was first published.

(e) Notice of Determinations.—Whenver the Commission or the administering authority makes a determination under this section, the determination shall be published in the Federal Register, and the other agency shall be notified by the Commission or the administering authority of the determination and the date of publication of the Federal Register on which the determination is published.

(f) Notice of Determinations.—Whenver the Commission or the administering authority makes a determination under this section, the determination shall be published in the Federal Register, and the other agency shall be notified by the Commission or the administering authority of the determination and the date of publication of the Federal Register on which the determination is published.

(g) Extension of Period.—If—

(1) the determination of the administering authority is affirmative, then any extension of the period within which the determination must be made under subsection (b) shall apply, or, if notice of such extension is already published, be amended to apply, to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the date on which extension of period of investigation was first published.

(h) Suspension of Liquidation.—If the determination of the administering authority under paragraph (1) is affirmative, then any suspension of liquidation ordered under subparagraph (D) shall apply, or, if notice of such suspension of liquidation is already published, be amended to apply, to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the date on which suspension of liquidation was first published.

(i) Notice of Determinations.—Whenver the Commission or the administering authority makes a determination under this section, the determination shall be published in the Federal Register, and the other agency shall be notified by the Commission or the administering authority of the determination and the date of publication of the Federal Register on which the determination is published.

(2) Notice of Postponement.—If—

(1) the determination of the administering authority is preliminary, then any postponement of the date on which the decision shall order the suspension of liquidation ordered under subparagraph (D) shall apply, or, if notice of such postponement is already published, be amended to apply, to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the date on which postponement of period of investigation was first published.

(j) Notice of Determinations.—Whenver the Commission or the administering authority makes a determination under this section, the determination shall be published in the Federal Register, and the other agency shall be notified by the Commission or the administering authority of the determination and the date of publication of the Federal Register on which the determination is published.

(k) Suspension of Liquidation.—If the determination of the administering authority under paragraph (1) is affirmative, then any suspension of liquidation ordered under subparagraph (D) shall apply, or, if notice of such suspension of liquidation is already published, be amended to apply, to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the date on which suspension of liquidation was first published.

(l) Notice of Determinations.—Whenver the Commission or the administering authority makes a determination under this section, the determination shall be published in the Federal Register, and the other agency shall be notified by the Commission or the administering authority of the determination and the date of publication of the Federal Register on which the determination is published.
the agreement and, if appropriate, the Commission shall not issue a review determination in the case of imports of the merchandise which is the subject of the investigation, or

(3) an interested party described in subparagraph (C), (D), or (E) of section 771(a) which is a party to the investigation.

then, the administering authority and, if appropriate, the Commission shall continue the investigation.

(3) Review of Suspension- Upon receipt of a review petition under paragraph (1), the Commission shall, within 75 days after the date on which the petition is filed, determine whether the effect of imports of the merchandise which is the subject of the investigation is eliminated completely by the agreement. If the Commission determines that the effect is negative, the investigation shall be resumed on the date of publication of notification of such determination as if the notification had been made on that date.

(3) Suspension of Liquidation to Continue During Review Period- The suspension of liquidation of entries of the merchandise which is the subject of the investigation shall terminate at the close of the 20-day period beginning on the day on which notice of suspension of the investigation is published in the Federal Register, or, if a review petition is filed under paragraph (1) with respect to the suspension of the investigation, in the case of an affirmative determination by the Commission under paragraph (b) of section 743(b) which is a party to the affirmative determination by the Commission is published. If the determination of the Commission under paragraph (b) is negative, then the administering authority shall-
(B) release any bond or other security, and refund any cash deposit, required under section 743(d)(1).

(1) VIOLATION OF AGREEMENT.—

(1) IN GENERAL.—If the administering authority has terminated an investigation under subsection (b) or (c) is being, or has been, violated, or no longer meets the requirements of subsection (c)(1), of elimination of injury and subsection (d), then, on the date of publication of such determination, the administering authority shall—

(A) suspend liquidation under section 743(d)(1) of unliquidated entries of the merchandise made on or after the later of—

(i) the date which is 90 days before the date of publication of the notice of suspension of liquidation, or

(ii) the date on which the merchandise, the sale or export to the United States of which was in violation of the agreement, or under an agreement which no longer meets the requirements of subsection (b) and (d), was first entered, or withdrawn from warehouse, for consumption.

(B) if the investigation was not completed, resume the investigation as if the affirmative determination made under section 743(b) or (d) were made on the date of the determination under this paragraph.

(C) if an investigation was completed under subsection (g), issue an artificial pricing duty order under section 746(a) effective with respect to dumping or dumping duty order which—

(i) the presence of critical circumstances is affirmative, then the final determination of the Commission under subsection (a).

(ii) the material injury was by reason of such massive imports of the artificially priced merchandise over a relatively short period.

(D) notify the petitioner, interested parties who are or were parties to the investigation, and the administering authority of the action under this paragraph.

(2) INTENTIONAL VIOLATION TO BE PUNISHED.—Any person who intentionally violates an agreement accepted by the administering authority under subsection (b) or (c) shall be subject to a civil penalty assessed by the administering authority under section 748.

(3) DETERMINATION NOT TO TAKE AGREEMENT INTO ACCOUNT.—In making a final determination under section 745, if conducting a review under section 751, in a case in which the administering authority has terminated an investigation under subsection (a)(1), or has continued an investigation under subsection (g), the Commission and the administering authority shall consider all of the merchandise which is the subject of the investigation, without regard to the effect of any agreement under subsection (b) or (c).

SEC. 745. FINAL DETERMINATIONS.

(a) Final Determination by Administering Authority.—

(1) IN GENERAL.—Within 75 days after the preliminary determination under section 743(b), the administering authority shall make a final determination of whether the merchandise which is the subject of the investigation, or

(ii) the material injury was by reason of the fact that the administering authority has made an affirmative determination under subsection (a), or

(iii) the material injury was by reason of such massive imports of the artificially priced merchandise over a relatively short period.

(2) CRITICAL CIRCUMSTANCES DETERMINATIONS.—If the final determination of the administering authority is affirmative, then that determination, in any investigation in which the presence of critical circumstances has been alleged under section 743(e)(1), shall also include a finding as to whether material injury by reason of imports of the merchandise with respect to which the administering authority has made an affirmative determination under subsection (a) would have been found but for any suspension of liquidation or refund of any cash deposit required under section 743(d)(1), and

(c) EFFECT OF FINAL DETERMINATIONS.—

(1) EFFECT OF AFFIRMATIVE DETERMINATION BY THE ADMINISTRAING AUTHORITY.—If the determination of the administering authority under subsection (a) is affirmative, then—

(A) terminate any retroactive suspension of liquidation required under section 743(e)(2), and

(B) release any bond or other security, and refund any cash deposit required under section 743(d)(2).

(2) EFFECT OF NEGATIVE DETERMINATIONS UNDER SECTIONS (b) AND (d)(4)(A).—If the determination of the administering authority or the Commission under subsections (b)(2) and (d)(4)(A), respectively, is negative, then the administering authority shall—

(A) terminate any retroactive suspension of liquidation required under section 743(e)(2), and

(B) release any bond or other security, and refund any cash deposit required under section 743(d)(2).

(3) EFFECT OF NEGATIVE DETERMINATIONS UNDER SECTION (b)(2).—If the determination of the administering authority or the Commission under subsections (b)(2) and (d)(4)(A), respectively, is negative, then the administering authority shall—

(A) terminate any retroactive suspension of liquidation required under section 743(e)(2), and

(B) release any bond or other security, and refund any cash deposit required under section 743(d)(2).

(4) PUBLICATION OF NOTICE OF DETERMINATIONS.—Whenever the administering authority or the Commission makes a determination under this part, the petitioner, other parties to the investigation, and the other agency shall be notified of the determination and the final results of the investigation.

SEC. 746. ASSESSMENT OF DUTY.

(a) Publication of Artificial Pricing Duty Order.—Within 7 days after being notified by the Commission of an affirmative determination under section 745(b), or within 7 days after an affirmative determination by the administering authority under section 743(d)(1), and

(b) Publication of Artificial Pricing Duty Order.—Within 7 days after being notified by the Commission of an affirmative determination under section 745(b), or within 7 days after an affirmative determination by the administering authority under section 743(d)(1), and

(c) Renewal of Duty Order.—Within 7 days after the publication of a final determination under section 745(b), and

(d) Signature of Officers.—Within 7 days after the publication of a final determination under section 745(b), and

(e) Publication of Notice of Determinations.—Whenever the administering authority or the Commission makes a determination under this part, the petitioner, other parties to the investigation, and the other agency shall be notified of the determination and the final results of the investigation.

SEC. 747. ASSESSMENT OF DUTY.

(a) Commission Assessment of Duties.—Within 7 days after being notified by the Commission of an affirmative determination under section 745(b), or within 7 days after an affirmative determination by the administering authority under section 743(d)(1), and

(b) Administration of Duty.—Within 7 days after being notified by the Commission of an affirmative determination under section 745(b), or within 7 days after an affirmative determination by the administering authority under section 743(d)(1), and

(c) Payment of Duties.—Within 7 days after the publication of a final determination under section 745(b), and

(d) Renewal of Duty Order.—Within 7 days after the publication of a final determination under section 745(b), and

(e) Signature of Officers.—Within 7 days after the publication of a final determination under section 745(b), and

(f) Publication of Notice of Determinations.—Whenever the administering authority or the Commission makes a determination under this part, the petitioner, other parties to the investigation, and the other agency shall be notified of the determination and the final results of the investigation.
the manufacturer or exporter within which
the merchandise is entered, or withdrawn from
warehouse, for consumption.

"(2) Change from artificial pricing duty
or countervailing duty investigation, the
administering authority determines that
"(A) the industry or sector of the nonmar­
tket economy country under investigation
is market-oriented, and

"(B) there is sufficient verifiable informa­
tion to permit the investigation to be con­
ducted as an antidumping duty or coun­
tervailing duty investigation.

"(2) Whenever the administering author­
ity determines under paragraph (1) that an
antidumping duty or countervailing duty
investigation shall be commenced as an
antidumping duty or countervailing duty
investigation, the administering author­
ity shall notify the petitioner of, and consult with the petitioner
concerning, the intention of the administer­
ing authority to treat an artificial pricing
duty investigation as an antidumping or
countervailing duty investigation.

"SEC. 749. DEFINITIONS; TECHNICAL AND CONFORMING AMENDMENTS.

"(a) ADDITIONAL DEFINITIONS. Section 771 of the Tariff Act of 1930 (19 U.S.C. 1677) is

"(b) CHANGE FROM ANTIDUMPING DUTY OR COUNTERVAILING DUTY INVESTIGATION TO ARTIFICAL PRICING DUTY INVESTIGATION—

"(1) if in the course of an artificial pricing
duty investigation, the administering au­
tority determines that

"(A) the industry or sector of the nonmar­
tket economy country under investigation
is market-oriented, and

"(B) there is sufficient verifiable informa­
tion to permit the investigation to be con­
ducted as an antidumping duty or coun­
tervailing duty investigation.

"(2) Whenever the administering author­
ity determines under paragraph (1) that an
antidumping duty or countervailing duty
investigation shall be commenced as an
antidumping duty or countervailing duty
investigation, the administering author­
ity shall notify the petitioner of, and consult with the petitioner
concerning, the intention of the administer­
ing authority to treat an artificial pricing
duty investigation as an antidumping or
countervailing duty investigation.

"SEC. 748. CHANGE FROM ARTIFICIAL PRICING DUTY INVESTIGATION TO ANTIDUMP­
ING DUTY OR COUN TERVAILING DUTY INVESTIGATION—

"(a) CHANGE FROM ARTIFICIAL PRICING DUTY INVESTIGATION TO ANTIDUMPING DUTY OR COUNTERVAILING DUTY INVESTIGATION.

"(1) If in the course of an artificial pricing
duty investigation, the administering au­
tority determines that

"(A) the industry or sector of the nonmar­
tket economy country under investigation
is market-oriented, and

"(B) there is sufficient verifiable informa­
tion to permit the investigation to be con­
ducted as an antidumping duty or coun­
tervailing duty investigation.

"(2) Whenever the administering author­
ity determines under paragraph (1) that an
antidumping duty or countervailing duty
investigation shall be commenced as an
antidumping duty or countervailing duty
investigation, the administering author­
ity shall notify the petitioner of, and consult with the petitioner
concerning, the intention of the administer­
ing authority to treat an artificial pricing
duty investigation as an antidumping or
countervailing duty investigation.

"SEC. 747. TREATMENT OF DIFFERENCE BETWEEN DEPOSIT OF ESTIMATED ARTIFICIAL PRICING DUTY AND FINAL ASSESSED DUTY UNDER ARTIFICIAL PRICING DUTY ORDER.

"(a) DEPOSIT OF ESTIMATED ARTIFICIAL PRICING DUTY DETERMINATION UNDER SECTION 743(c)(1), (2) or (3).—If the admin­
istering authority uses the estimated artificial pricing duty deter­
mination under section 743(c)(1), (2) or (3), the admin­
istering authority shall notify the petitioner of, and consult with the petitioner
concerning, the intention of the administer­
ing authority to treat an artificial pricing
duty investigation as an antidumping or
countervailing duty investigation.

"(b) DEPOSIT OF ESTIMATED ARTIFICIAL PRICING DUTY DETERMINATION UNDER SECTION 743(c)(1), (2) OR (3).—If the admin­
istering authority uses the estimated artificial pricing duty deter­
mination under section 743(c)(1), (2) or (3), the admin­
istering authority shall notify the petitioner of, and consult with the petitioner
concerning, the intention of the administer­
ing authority to treat an artificial pricing
duty investigation as an antidumping or
countervailing duty investigation.

"(c) NOTICE OF DETERMINATION.—Whenever
the administering authority makes a determination under subsection (a)(1) or
(b)(1), the petitioner of, and consult with the petitioner
concerning, the intention of the administer­
ing authority to treat an artificial pricing
duty investigation as an antidumping or
countervailing duty investigation.

"SEC. 746. DEFINITIONS; TECHNICAL AND CONFORMING AMENDMENTS.

"(a) ADDITIONAL DEFINITIONS. Section 771 of the Tariff Act of 1930 (19 U.S.C. 1677) is

"(b) CHANGE FROM ANTIDUMPING DUTY OR COUNTERVAILING DUTY INVESTIGATION TO ARTIFICAL PRICING DUTY INVESTIGATION—

"(1) if in the course of an artificial pricing
duty investigation, the administering au­
tority determines that

"(A) the industry or sector of the nonmar­
tket economy country under investigation
is market-oriented, and

"(B) there is sufficient verifiable informa­
tion to permit the investigation to be con­
ducted as an antidumping duty or coun­
tervailing duty investigation.

"(2) Whenever the administering author­
ity determines under paragraph (1) that an
antidumping duty or countervailing duty
investigation shall be commenced as an
antidumping duty or countervailing duty
investigation, the administering author­
ity shall notify the petitioner of, and consult with the petitioner
concerning, the intention of the administer­
ing authority to treat an artificial pricing
duty investigation as an antidumping or
countervailing duty investigation.

"SEC. 748. CHANGE FROM ARTIFICIAL PRICING DUTY INVESTIGATION TO ANTIDUMPING DUTY OR COUNTERVAILING DUTY INVESTIGATION—

"(a) CHANGE FROM ARTIFICIAL PRICING DUTY INVESTIGATION TO ANTIDUMPING DUTY OR COUNTERVAILING DUTY INVESTIGATION.

"(1) If in the course of an artificial pricing
duty investigation, the administering au­
tority determines that

"(A) the industry or sector of the nonmar­
tket economy country under investigation
is market-oriented, and

"(B) there is sufficient verifiable informa­
tion to permit the investigation to be con­
ducted as an antidumping duty or coun­
tervailing duty investigation.
amended by adding at the end thereof the following new paragraphs:

"(A) Eligible Market Economy Country.—(A) The term 'nonmarket economy country' means a country which is on a list of such countries published annually by the administering authority beginning on the ninetieth day after the date of enactment of this Act.

"(B) In general, countries shall be included on such list if their economy does not operate on market principles of cost or pricing structures so that sales or offers of sale of merchandise in that country do not reflect the fair value of the merchandise.

"(C) In determining whether an economy operates on market principles the administering authority shall take into account the following as well as other factors he may deem appropriate:

(i) the extent to which the country's currency is convertible;

(ii) the extent to which wage rates are determined by free bargaining between labor and management; and

(iii) the extent to which joint ventures or other investments by foreign firms are permitted.

"(D)(i) The administering authority shall establish a procedure whereby countries that have been placed on the list may request that they be removed. Such procedure shall be set forth in the annual publication of the list, shall provide ample opportunity for public comment prior to a decision by the Secretary.

(ii) The administering authority may, at its discretion, add or delete countries from the list, subject to the same procedures for public comment specified in subparagraph (ii).

"(E) Only countries on the list published by the administering authority shall be nonmarket economy countries for purposes of petitions filed or investigations initiated under section 742 of this Act. The question of whether a country is properly included on the list shall not be an issue in an investigation begun pursuant to section 742.

"(19) Minimum Allowable Import Price.—The term 'minimum allowable import price' means:

"(A) the trade-weighted average price of eligible market economy foreign producers in arms-length sales to customers in the United States during the investigatory period;

or

"(B) if there are no eligible market economy producers, the constructed value of such or similar merchandise in a market economy country or countries as determined under section 773(e); or

"(C) if the administering authority cannot determine the trade-weighted average price of eligible market economy foreign producers under subparagraph (A), the prices determined in accordance with section 773(a), at which such or similar merchandise is sold by an eligible market economy foreign producer to:

"(i) the United States; or

"(ii) if there are no sales to the United States, other countries.

"(20) Eligible Market Economy Foreign Producers.—The term 'eligible market economy foreign producers' means producers in countries other than the United States that are not nonmarket economy countries as defined in paragraph (19) who:

"(A) produce the article, or a like article, that is the subject of the investigation,

"(B) export the article, or a like article, to the United States.

and

"(C) are not subject to an antidumping or countervailing duty order under sections 736 or 766 respectively against the article, or a like article, that is the subject of the investigation during the period of the investigation.

"(b) Administrative and Judicial Review of Determinations.—

(1) Administrative review.—

(A) Periodic review.—Paragraph (1) of section 751(a) of the Tariff Act of 1930 (19 U.S.C. 1675(a)) is amended—

(i) by inserting "an "artificial pricing duty order under this title" after "1921",

(ii) by striking out "and" at the end of clause (B),

(iii) by adding "and" at the end of clause (C),

(iv) by inserting "or at artificial prices" after "fair value" in clause (C), and

(v) by inserting after clause (C) the following new clause:

"(D) review and determine (in accordance with paragraph (3)), the amount of any artificial pricing duty, 

(B) determination of artificial pricing duties.—Paragraph (a) of section 751 of the Tariff Act of 1930 (19 U.S.C. 1675(a)) is amended—

(i) in the case of a product of a nonmarket economy country, for purposes of petitions filed or investigations initiated under section 742 of this Act.

or

(ii) by striking out "or 735(b)" in subparagraph (B)(v) and inserting in lieu thereof "735(h), or 744", and

(iv) by inserting "duty or a countervailing" in subparagraph (B)(v) and inserting in lieu thereof 

"(2) Technical and Conforming Amendments.—

(1) Subsection (c) of section 773 of the Tariff Act of 1930 (19 U.S.C. 1677(b)(c)) is amended—

"(i) by striking out "or 702(c)" in subparagraph (A)(i) and inserting in lieu thereof "734(c)(2)", and

"(ii) by striking out "or 733(a)" in subparagraph (A)(iii) and inserting in lieu thereof "733(a), or 744", and

"(iii) by striking out " or 733(b)" in subparagraph (B)(ii) and inserting in lieu thereof "733(b), or 744(b)".

"(2) Reviewable determinations.—Paragraph (2) of section 518(a) of the Tariff Act of 1930 (19 U.S.C. 1516(a)(2)) is amended—

"(i) by striking out "or countervailing" in subparagraph (A)(ii) and inserting in lieu thereof "countervailing, or artificial pricing", and

"(ii) by striking out "or 735" in clauses (i) and (ii) of subparagraph (B) and inserting in lieu thereof "734, or 745", and

"(iii) by striking out "duty or a countervailing" in subparagraph (B)(v) and inserting in lieu thereof "734(h), or 744(h)".

"(3) Section 731 of such Act (19 U.S.C. 1673) is amended—

"(A) by inserting "(a)" in general—

"(ii) before "If", and

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

"(1) by striking out "or 734" in subparagraph (A)(i) and inserting in lieu thereof "(b)", and

"(2) by inserting at the end thereof the following new subparagraph:

"(a) in general—

"(2) Cross Reference.—

"For provisions of law applicable in the case of a product of a nonmarket economy country, see subtitle C of title VII of this Act.

"(3) Section 741 of such Act (19 U.S.C. 1677) is amended—

"(A) by inserting "(a)" in general—

"(B) by striking out the following new subparagraph:

"(2) C-Imposition of Artificial Pricing Duties

"Sec. 424. Artificial pricing duties imposed.

"Sec. 424. Procedures for initiating an artificial pricing duty investigation.

"Sec. 425. Preliminary determinations.

"Sec. 424. Termination of suspension of investigations.

"Sec. 425. Final determinations.

"Sec. 424. Assessment of duty.

"Sec. 427. Treatment of difference between deposit of estimated artificial pricing duty and final assessed duty.

"Sec. 427. Treatment of artificial pricing investigations as antidumping
First, theoretically one can presently bring a dumping case against a nonmarket economy (NME), except it is hard to establish since prices and costs do not reflect real market values and can be difficult to construct if there are not other comparable producers. To extrapolate from this was the problem in the Polish golf cart case.

Second, section 406 of the Trade Act of 1974 provides for a 201-like process against countries which were not GATT members or countries under the agreement pursuant to section 701(b) of the Tariff Act of 1930 as amended. Such procedures and standards have been found inadequate, partly because the injury test would be provided to the Commerce Department to determine dumping or the presence of a subsidy subject to the standards of current law for free market economies. Such information would probably seek to show that the nonmarket economy of the industry in question is, in fact, free market oriented. Such information may or may not be adequate, depending on the nature of the economy or the particular industry in question. In those cases where the nonmarket economy will or cannot provide the necessary information, preventing the complaint from being handled in a normal manner, a different standard would be employed. In most cases such procedures would be provided to the Commerce Department to determine dumping or countervailing duty case, unless the Department shall do so, moving the investigation to the appropriate track at the time of administration for both petition and response. In any event, the Commerce Department has with the Commerce Department has, for example, much of the cost and pricing data provided by the Polish exporter could be meaningful in our terms, in the Polish cart case, for example.

In those cases where the nonmarket economy will not or cannot provide the necessary information, preventing the complaint from being handled in a normal manner, a different standard would be employed. In most cases such procedures would be provided to the Commerce Department to determine dumping or countervailing duty case, unless the Department shall do so, moving the investigation to the appropriate track at the time of administration for both petition and response. In any event, the Commerce Department has, for example, much of the cost and pricing data provided by the Polish exporter could be meaningful in our terms, in the Polish cart case, for example.

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Mr. WILSON. Mr. President, a few moments ago the two distinguished Senators from Maine collaborated in an effort to secure a remedy that they felt realistic. They are concerned quite rightly with the number of small American businesses which cannot readily avail themselves of statute book remedies. Those processes are not available to them as a practical matter.

The amendment that I bring before us is a similar effort to provide a realistic remedy.

Mr. President, I submit this amendment, along with my colleagues, the Senator from Alaska (Mr. STEVENS), the Senator from Hawaii (Mr. IWORZ), and my good colleague from California (Mr. CRANSTON). Together we seek the support of our colleagues in an effort to equalize tariffs on oil and water-packed tuna.

Mr. President, I cannot emphasize too strongly how important this effort is not just to stabilizing the U.S. tuna industry, whose existence is now jeopardized by mounting imports. Let me say, imports have increased 128 percent in 5 years.

The failure to respond to this need will further jeopardize the very existence of the U.S. tuna industry.

As items, let me discuss the following: Despite wage concessions by factory workers in July, there came to be the closing of the Van Camp cannery in San Diego. Its closing in July brings a number of workers laid off in the processing industry. The Star Kist cannery in San Diego has announced that it will close in October, just a few days from now, if tariff relief is not granted. This will mean the loss of 800 more jobs, jobs held for generations by people who really know nothing else.

The San Pedro cannery is also the last major tuna processing facility in the continental United States, and it is not just the cannery workers but it is those who go down to the sea in ships and seek to harvest this crop of tuna who are imperiled by the present anomaly in the tariff law; 27 vessels with a replacement value of between $200 million and $250 million are now tied up. Other vessels are on the brink of bankruptcy.

Why, Mr. President? To understand this problem one must know that the tuna market is divided between two very similar products, tuna packed in oil and tuna packed in water. The sole difference between a can of oil-packed tuna and a can of water-packed tuna is the substance in which the fish is packed, except current American tariff law draws another fundamental distinction. It imposes a penalty on this industry—unfairly—not through any fault of the industry but through a historical anomaly, a negotiation that took place when the industry was not itself represented.

Imports of tuna canned in oil are subject to a duty of 35 percent, while imports of water-packed tuna are subject to a duty of only 6 percent; 35 percent for oil-packed and 6 percent for water-packed.

These different tariff rates are the source of the problem. There is no clear reason for the two tariff levels. The United States is by far the only country in the world with two levels. The history of the tariff reveals that it is a historical accident resulting from tariffs written before water-packed tuna became a significant item in international trade.

These different tariff rates are not, I repeat, the product of any conscious trade strategy. They reflect historical accident of trade. Today, water-packed tuna accounts for 60 percent of the market. The United States receives imports in this category of tuna, clearly indicating that exporters are taking advantage of the disparity in tariffs. They do not send us their oil-packed tuna. Mr. President, imports have been successful in taking 20 percent of all the tuna sales in this country within this, the very brief period of the recent past.

Mr. President, this gigantic influx of imports would not warrant legislation in my mind if the domestic industry were not itself to blame. It is one accustomed to new technology, or one that has been unresponsive to the need for modernization or efficiency.

I can say without equivocation that the United States has been the leader, not the follower. It has provided the model. None of the conditions that I spoke of is applicable to our industry. Indeed, the U.S. fishing industry has pioneered this technology, it has pioneered. It represents the engine for modernization developing from this industry. We are within the first 20 percent of the market.

Mr. President, I will conclude by noting that this action will pose no serious problem to our international trade position. More simply stated, it does not risk retaliation that will injure other U.S. exporters, a concern that is a very real one with regard to other efforts to mitigate tariff treatment. The reason, Mr. President, is because U.S. tuna imports come from four principal sources, two of which, Japan and the Philippines, impose tariffs far in excess of the level at which we seek to equalize U.S. duties. Indeed, once equalized, U.S. tariffs will be far below the tariffs of the principal exporting nations. Thailand imposes a tariff on U.S. products of 50 percent. Taiwan imposes a tariff of 75 percent. The Philippines impose a tariff of 50 percent. Japan, whose duty level on most all imports is a bone of serious contention with the United States, is not a significant player in this drama. Taiwan, which is indeed a serious player, is not a signatory to the General Agreement on Tariffs and Trade, which means that they have no GATT remedy. If that point is of concern, I can address it at further length.

But, Mr. President, in summary there is no logical reason for the United States to maintain two distinct tariff classifications. There is no requirement of the GATT that we do so. This artificial distinction yields two duty rates for canned tuna. There is no logical reason for allowing tuna to come in at one-fifth the normal duty because the canny adds water to the can rather than oil.

Mr. President, the U.S. tuna industry is calling for help to correct an anomaly created not by them but by an historical accident caused by Government officials. The cost of inaction in the wake of this request is not just severe; it is critical. Thousands of jobs, millions of dollars in investment and, most importantly, the entire modern United States tuna industry and fishing fleet is at stake. This loss can be avoided. It must be avoided. I urgently request the conscientious support of each and every Senator for this amendment which will simply equalize tariffs and as such bring an end to a historical anomaly.

Mr. President, I ask for the yeas and nays.

Mr. WILSON. Mr. President, the chair is empty. The PRESIDING OFFICER. Is there a sufficient second?

Mr. DOLE. Will the Senator withhold that request?

Mr. WILSON. Yes.

The PRESIDING OFFICER. The Chair has been addressed.

The PRESIDING OFFICER. The question is withheld. The Senator from California is recognized.
Mr. CRANSTON. I rise in support of the amendment offered by my colleague from California, an amendment that I am pleased to cosponsor along with other Senators. It offers relief to the domestic tuna industry from increasing import duties.

Our State of California is the home of the domestic tuna fleet. Historically, much tuna has been canned in California than in any other area of the world. The tuna industry is a vital part of the California economy.

Recently, however, the rapidly increasing level of canned tuna imports has seriously injured our domestic tuna industry. In the key private label and institutional pack markets imports now account for almost 39 percent of all sales. Sales of imported products are subject to a duty of 35 percent while imports of canned tuna in water are subject to a duty of only 6 percent. This anomalous duty structure was caused by the ITC's decision on July 1, 1984, to impose a 35-percent tariff on all imports of canned tuna in water. The decision followed an exhaustive 5-month investigation, including a full public hearing, into all relevant aspects of the U.S. and foreign tuna industries.

The ITC denied the petition by a 4-to-1 vote. Even the one dissenting vote recommended that trade adjustment assistance be made available to displaced boat operators and canning workers. The Commission, therefore, unanimously denied the tariff sought by certain segments of the U.S. tuna industry.

The Commission found that the basic cause of the U.S. tuna industry's problems is that the fish have moved. The best tuna fishing is now in the eastern Pacific. The explanation is not hard to find. A change in major ocean currents has apparently resulted in water. tuna prefer the cold water, and the tuna prefer the cold water.

The U.S. industry, in fact, is responding to this new reality. U.S. processors have been shifting their operations offshore to American waters. The fishing fleet can be kept busy, and port operations and other costs are lower.

For this and perhaps other reasons, not all the U.S. producers supported the tuna foundation's petition. Van Camp, Bumble Bee, and Caribe, in fact, voted to withdraw it.

This amendment seeks to overturn the Commission's decision and raise the tariff on water-packed tuna from 8 percent to 35 percent.

Mr. President, I know it is not unheard of for the Congress to reverse the decision of an executive agency of our Government. We have done it before, and we will do it again.

However, in this case, it would seem that extra caution would be in order. Before overturning an ITC decision, which was the product of months of investigation, and could have an enormous impact on consumers, other industries, and our national interest in fair and open trade, the arguments should be overwhelmingly against the agency on the merits. I submit that this test is not met with respect to the ITC's decision on canned tuna. I urge support of the Wilson amendment.

(Mr. COHEN assumed the Chair.)

Mr. LAUTENBERG. Mr. President, I rise in opposition to the Wilson/Steven amendment. The amendment would impose, by legislation, a 35-percent tariff on canned tuna in water. It is an attempt to reverse a recent decision by the International Trade Commission, which found, unanimously, that such a tariff is not in order, is not warranted, and would not be in the public interest.

Mr. President, it is worth taking a moment to understand exactly what this amendment would do and how broad-ranging are its possible consequences.

On July 25, 1984, the ITC rejected a U.S. tuna industry petition to impose a 35-percent tariff on all imports of canned tuna in water. The decision followed an exhaustive 5-month investigation, including a full public hearing, into all relevant aspects of the U.S. and foreign tuna industries.

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Mr. WILSON. Mr. President, will the Senator yield for a question?
Mr. WILSON. I yield.
Mr. WILSON. Will the Senator from New Jersey tell me precisely what American exports to Thailand and to the Philippines, and at what volume, we are threatened with retaliation? We are not talking about Taiwan or about the Japanese. We are talking about the Philippines and Thailand. What exports do these two countries have and in what volume?
Mr. LAUTENBERG. The fact is that we do not know exactly. We do know, however, that there are signatories to these tariff agreements.
Mr. WILSON. What exports are presently being made and in what volume?
Mr. LAUTENBERG. If I may finish my presentation, I will be happy to respond to any question the Senator from California has.
I also point out, Mr. President, that there are a number of important and sensitive issues in our trade relations with the nations of the Pacific rim. They range across the spectrum from product counterfeiting to all sorts of tariffs and non-tariff barriers. The U.S. position has consistently emphasized the need for trade liberalization and better access to those markets for U.S. exports. The general aim is to encourage the newly industrializing countries of that region—and elsewhere—to assume more responsibility for resolving requests for emergency import protection and I oppose any attempt to circumvent this procedure with a legislative solution.
For the above reasons, I urge that the amendment not be included in H.R. 3398. Very truly yours, WILSON.

Mr. LAUTENBERG. In sum, Mr. President, this amendment is questionable on several grounds. It substitutes a legislative remedy, which has not been examined by the Congress at all, for the decision of the ITC. It will increase prices for consumers. It could well result in retaliation that will penalize workers and firms in other industries. And it jeopardizes important U.S. national trade interests in the rapidly developing markets of East Asia.
I do not believe the Senate should adopt this amendment given the likely consequences imposition of such a tariff would bring.

Mr. President, I urge my colleagues to oppose the amendment of the Senators from California and Alaska.

Mr. DOLE. Mr. President, I just want to indicate to my colleagues that, with the leadership of Senator Danforth and Senator Bentsen, we have made some progress on this bill. In the past, there were three or four provisions, or at least a couple, for every Senator. I know everything deserves careful scrutiny and study, but I hope we can reach some judgment on these amendments very soon. I know that the leaders are now discussing whether we might get another hour after 4 o'clock. I understand that some Senators may object to that. I believe it is in the interest of all of us to complete action on the trade bill and go to conference. I hope we might vote on this amendment very quickly.

Mr. BRADLEY. Mr. President, I rise in opposition to the amendment offered by the Senator from California. I think it is bad trade policy. It directly overlooks a recent ITC decision. It will make the domestic industry far more vulnerable. And it jeopardizes important U.S. market penetration in Thailand.

On July 25, 1984, the ITC soundly rejected a U.S. tuna industry petition to impose a 35-percent tariff on all imports of canned tuna in water. The decision followed an exhaustive 5-month investigation. The ITC ruled against the industry.
Mr. President, the major sponsor behind the petition was Star Kist Foods, which already holds a dominant 40-percent share of the U.S. retail tuna market. Significantly, the next three leading U.S. market tuna companies did not support the tariff petition.
Mr. WILSON. Mr. President, will the Senator yield for a question?
Mr. BRADLEY. I should like to finish. The ITC denied the petition by a 4-to-1 vote. Even the one dissenting vote rejected the imposition of the tariff recommending that the trade-adjustment assistance be made available to displaced operators and cannery workers. The ITC therefore, unanimously denied the tariff sought by certain segments of the U.S. tuna industry.

The ITC found that the economic difficulties of the industry were not caused by imports but by U.S. tuna fleet overexpansion and the shift of tuna fishing grounds from the eastern to the western Pacific.
The ITC found that imports were not an important cause of injury, noting that import penetration in 1984 was less than 16 percent of the total market.
The amendment offered by the distinguished Senator from California circumvents the Pacific decision in this case and would allow future tariff seekers to bypass the ITC and impose tariffs through a purely political process.
If a tariff is imposed, GATT (the General Agreement on Trade and Tariffs) requires that other tariff concessions be given to affected countries. If those concessions are not accepted, retaliatory action may legally be taken against U.S. exports. Trade in U.S. farm products and manufactured goods is vulnerable to such actions, and articles could be substantially disrupted.

Mr. President, the Federal Trade Commission estimates that the imposition of the tariff would cost the American consumer approximately $800 million over the next 5 years. The price of the protected domestic tuna would immediately rise over 20 percent.

Mr. President, this amendment is one of those classic cases where a small segment of an industry loses through the administrative process and then comes to Congress seeking to protect their share of the market by increasing the cost on every consumer in this country.

Mr. President, this bad policy. If you go into any supermarket, you go to the grocery store, and buy a can of tuna as a result of this amendment, you will be paying 25 to 30 percent more for the tuna as will every consumer across this country.

In addition to that, Mr. President, this makes a mockery of the International Trade Commission process, and it invites retaliation. It invites retaliation from countries that are affected.

Mr. President, in my judgment the amendment of the Senator from California [Mr. Wilson] poses for this Senator a clear case of the conflict of interest envisioned by rule XXXVII.

I happen to believe that the principle behind rule XXXVII is an excellent one that should guide our behavior whether or not we had ever seen fit to include it in the standing rules of the Senate. And I have observed it on previous similar occasions, precedent to its adoption by the Senate.

Accordingly, I will vote "present" on the amendment by the Senator from California [Mr. Wilson].

I thank the Senator for yielding.

Mr. WILSON. I yield to the Senator from Pennsylvania.

Mr. HEINZ. Mr. President, will the amendment of the Senator from California [Mr. Wilson] pass for this Senator a clear case of the conflict of interest envisioned by rule XXXVII?

Mr. WILSON. I yield to the Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I have not to date sought to enter the debate on this amendment and I do not seek to do so now for what I suspect may be obvious reasons to my colleagues.

Mr. President, in my judgment the amendment of the Senator from California [Mr. Wilson] poses for this Senator a clear case of the conflict of interest envisioned by rule XXXVII.

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Accordingly, I will vote "present" on the amendment by the Senator from California [Mr. Wilson].

I thank the Senator for yielding.
is that the problem does not exist because they are now being fished in the western Pacific. The tunas are being fished for a long time in the southern Pacific just as far away as the waters in which they are now found. That clearly is not the problem.

The problem is one that is recognized as Senator BRADLEY has said by one major processor, Star Kist, because there is only one major processor left. The others have gotten out of the business. They have been driven out by a succession of things that would beleaguer anyone of lesser strength than the people in this industry. But the fact is that there have been increases of 128 percent in imports over the past 5 years, and why? Are these imports in oil-packed tuna? No. Strangely enough they are exclusively in water-packed tuna, and the reason is that water-packed has a duty at 6 percent while there is a duty of 35 percent upon oil-packed. That is why. It is a very simple, easily understood, distinction. Why that distinction exists is beyond comprehension. It is one of those strange sort of throwaways that occurred about 36 years ago before water-packed tuna was a significant market element.

Now, what I will tell my good friends with respect to all their pleading about GATT is that that is simply not relevant here. First, Taiwan is not a signatory to GATT. Second, Japan is not a player, and I do say with all due respect to both of my friends from New Jersey that I think I have a good deal more credibility worrying about California beef and citrus being accepted in the Japanese market than they do. I spend a great deal of my time worrying about farm exports to the Pacific rim, largely because so many of my constituents have livelihoods depending upon the success of that export traffic. Indeed, I have given it to the President that we are to the consideration of the survival of this small indeed but justifiably proud and embattled industry.

With respect to the specific arguments made about GATT, let me just say that even for those which are GATT signatories, the policy of the United States quite rightly has been that where a GATT signatory has such an uneven trade barrier against the United States and where the country adversely affected by any increase in our tariff treatment has trade barriers of its own, we quite rightly said our policy is to avoid making compensation.

I repeat, because they were off the floor, that even after this amendment is adopted and we have equalized the tariff treatment for water-packed, bringing it to what is now levied on oil-packed, that will be a 35 percent duty. Do you know what it is in Thailand and the Philippines? It is 80 percent against U.S. products; it is 75 percent in Taiwan.

There is no GATT violation here. We will be a long way—even when we have achieved this equalization—we will be a very long way from having equalized the burden.

Now, what I am about to take here is quite simple. It is the survival of an industry. In October, the Star-Kist plant will close as did the Van Camp canneries with some 1,500 jobs in San Diego in June.

Mr. President, if we are interested in equity and if we are concerned about retaliation, I will tell you we do not retaliate. Our industries cannot retaliate. We are giving them a free ride at the expense of a generation's old industry that has earned its place, that is not seeking to be subsidized because of its own inefficiency. It is one of the most efficient, it is the most efficient fishing operation in the world. If we are going to lose that let us all understand it will be because this Congress did not have the courage to take action to cure a simple anomaly in the tariff law for which there is no justification.

There are 6,000 jobs at stake here at the very least concerning just one of our workers: many, many more in the fishing fleet and many more in the associated industries.

Finally, ask yourself this question: How much will the price of tuna go up when the American tuna industry no longer exists, when we are entirely dependent upon foreign imports? I suggest that we will face a time when tunas are available at a cost we American housewife except at a cost that we really are going to be unwilling to pay.

Mr. President, I ask for the yeas and nays.

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

The yeas and nays were ordered.

Mr. President, if we are interested in a tariff which is imposed, I think there is an amendment of the Senator from California in presenting his arguments that the U.S. market element.
Mr. DOLE. Mr. President, again, let me urge my colleagues that we have now been on this amendment over an hour. I think we know the issue. I think we ought to vote on it and try to finish. We are going to sink the entire trade bill if we do not move.

Mr. BRADLEY. Mr. President, I can assure the distinguished chairman of the committee I will be very brief.

I would like to make two further points on the issue before us. One is that this proposal, if enacted, is opposed by our U.S. Trade Representative, Mr. Brock. He has stated in a letter to the Ambassador of Thailand the following statement:

Now that the USITC has made a negative injury determination of the 201 tuna case, I will continue to oppose any legislative effort to raise the tariff on canned tuna in water.

I ask unanimous consent that the letter of Ambassador Brock be printed in the Record.

Mr. BRADLEY. Mr. President, the distinguished Senator from California suggested this was an East-West dispute. This is not an East-West dispute. I would like to quote from the Los Angeles Times, which is clearly not one of the large metropolitan Eastern newspapers. The Los Angeles Times says in its editorial:

The tuna industry has every right to ask for protection from dumping—the onslaught of imports priced below cost. But that is not an issue in this case. The tuna industry has sought instead the extension of 20% tariff to all tuna imports, which would discriminate against canned tuna. The industry argues that the increase in imports is a substantial cause of serious injury. I believe that my distinguished colleague from California knows there are a lot of consumers in California who will be affected if, in fact, the predictions that we see here do come true.

Mr. LAUTENBERG addressed the Chair.

Mr. President, again, this is a clear choice between serving the narrow interest or the general interest—whether we are going to raise the tariff, and at the same time raise the price for every consumer of a can of tuna. If I hope that the Senate will reject this amendment.

Mr. LAUTENBERG. Mr. President, in respect to the manager of the bill, I too, will be brief. But I feel that the record ought to be clear in terms of lining up the parties. It is not New Jersey against the rest of the West. Consumers are consumers, wherever they live. So that if imports are a source of serious injury, they should be stopped.

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trade policies. To my colleagues in the Senate, I point out that you have before you a bill that takes a vital first step toward modernizing U.S. trade policy and that takes positive action toward assuring a more equitable trade climate for U.S. goods and services.

H.R. 3398 contains important tariff changes, many of which I consider vital for the survival of our industries. Among these are domestic honey, citrus, textile, glove, and metal castings producers. Also contained in H.R. 3398 is S. 144, the reciprocity bill. S. 144 would allow the United States to negotiate the elimination of foreign trade barriers to U.S. goods and services. S. 144, or title 3 of the bill currently before you, is crucial in that it attempts to resolve the U.S.-U.S.S.R. trade problems away from the legislative committee on the economic strength of this country. I would like to commend S. 144's principal sponsor, the distinguished Senator from Missouri. Senator Danforth has consistently sought to address the inadequacies of our world trade order. I thank him for his persistence.

H.R. 3398 also contains two other important provisions. One is a proposal to renew the U.S. generalized system of preferences, a program that provides duty-free treatment for certain products and textile, clothing, and footwear imports. The renewal of this program is particularly important to those lesser developed nations. Imports under the GSP represent only 3 percent of the U.S. imports yet this program provides participating developing nations with the foreign exchange necessary to service their enormous foreign debt, a large portion of which is owed to the United States. No other duty-free program offers such benefits. I believe that the Senate needs to give it favorable consideration.

The massive import penetration is a result of a tariff loophole contained in a 1943 treaty between the United States and Japan. This treaty establishes a duty-free 3 percent duty rate for fish packed in water. Tuna was not affected by the treaty at the time as it was then packed exclusively in oil and subject to a 19 percent duty. Since the amendment was enacted, the market for tuna packed in water has increased dramatically and tuna exporting nations have shifted almost exclusively to water-packing their exports in order to avoid the import tax.

The import tax is imposed on the portion of the can cost that is due to the tariff. A portion of this tax revenue is returned to the United States as excise taxes on canned tuna products. The Senate has to recognize that the tariff producers are paying the bill for this tax.

Currently, the United States enjoys a trade surplus of $265 million with Israel out of a total trade of $3 billion. About 40 percent of U.S. exports to Israel remain subject to tariffs. It is thus apparent that a mutual elimination of remaining tariff barriers by the two nations would greatly benefit U.S. exports while not significantly increasing the scope of Israeli imports that enter the United States duty free. I urge my colleagues to support this provision in its entirety and to refrain from seeking product-specific excisions from such arrangements.

Mr. President, I conclude my remarks by urging my colleagues to act expeditiously on the legislation now before them in H.R. 3398. I also ask my colleagues to refrain from amending it, which contains the essential reforms, with a Christmas tree mentality. I, too, have amendments which I would like to offer to this legislation. However, this Congress is now one that has had the opportunity to craft a modernized, U.S. manufacturers, farmers, and service producers need a positive signal from the Congress that we are aware of their problems and are willing to put policies in place that will help keep the United States economically strong by working for a free and fair world trading system.

Mr. INOUYE. Mr. President, the U.S. tuna industry, internationally recognized as one of the most modern and efficient fishing industries in the world, is in the midst of a serious economic crisis. The crisis was caused by an abrupt increase of imported canned tuna products from nations who shelter their markets and subsidize their producers.

The impact of the imports has been increasingly felt during the past 5 years as industry profits have plunged to unprecedented lows. The industry has responded with drastic cost cutting measures including the closure of several tuna processing facilities and the tie-up of $200 million worth of tuna vessels. Nevertheless, during 1982 and 1983, the industry experienced losses of 19.3 percent and 4.6 percent, respectively. Approximately 6,000 American jobs have been lost so far, and thousands more are in jeopardy unless something is done to slow the import surge.

The large import surges of canned tuna threaten to force the domestic industry to relocate and foreign tuna industries which receive protective tariffs on canned tuna products ranging from 50 to 70 percent. I do not believe in a free trade versus protectionism issue. It is a fair trade issue which should be dealt with on its own merit. The U.S. tuna industry should be given the opportunity to compete on even terms with foreign tuna industries which receive strong support from their governments. I urge my colleagues to join me in supporting this amendment, and give our tuna industry that opportunity.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I was here to support the Senators from California on their amendment, and ask the Senate to give it favorable consideration.

I am quite worried, as a Senator from a State that has been involved in the fishing industry, about the trend we see in the tuna industry with regard to the way that the Japanese are avoiding—literally evading—our existing tariff structure. We have had a situation where the canned tuna imports have increased 120 percent, and they are now bringing in their tuna in water which is a way to avoid the tariff structure that existed at the time of the last round of negotiations. If they are successful in destroying the tuna fish canning industry, the next industry that is going to be attacked is ours which has already suffered a great deal.

I do believe that the Senate's amendment is necessary in order to reestablish the tariff rates that were created by the last round in developing the tariff structure that we had here. We have taken action recently to establish duty-free treatment from the Caribbean Basin. I think it is entirely possible that Congress can make changes in these structures without disturbing the intent of the whole process. I believe that the Senators from California are correct—the canning sector of our industry must remain healthy if we are to have a healthy harvesting industry. If we are not capable of canning this tuna, we are going to find the time when the Senators who are complaining about the nonproducing States, the consuming States, are going to find that this tuna is going to go elsewhere in the world as does the product that comes from our shores. Most of it comes back, but more and more is being distributed to meet the needs of the market without regard to the U.S. market.
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If we do not take action to prevent this destruction of our canning industry, the time is going to come when we will not have it in the tuna field. If we do not have it very soon, we will not have the tuna fleets to bring the tuna to us and our markets.

I do believe that they are on the right track. I hope the Senator succeeds in his goal to bring back an equity situation, as far as tuna, in water in particular.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. DANFORTH (when his name was called). Present.

Mr. HEINZ (when his name was called). Present.

Mr. STEVENS. I announced that the Senator from Alabama [Mr. DENTON] is necessarily absent.

Mr. CRANSTON. I announced that the Senator from West Virginia [Mr. RANDOLPH] and the Senator from Massachusetts [Mr. Tsongas] are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia [Mr. RANDOLPH] would vote "nay."

The PRESIDING OFFICER (Mr. Abelson). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 22, nays 73, as follows:

[Rollcall Vote No. 239 Leg.]

YEAS—22

Cohen          Hollings       Mitchell
Cranson        Insouce       Mirkowski
DeConcini      Johnston      Stevens
Dole           Kasten        Symms
Donnelly       Landrieu       Thompson
Garn           Long           Wilson
Gorton         Matsunaga     Hatch
Hatch          McCleere     NAYS—73

Abdnor         Ford          Nunn
Andrews        Glenn         Packwood
Armstrong      Goldwater     Pell
Baker          Graessley     Percy
Baucus         Hart          Presler
Ben Neren       Hatfield     Proxmire
Biden          Hawkins       Pryor
Bigelow        Hecht         Quayle
Boren          Hefflin       Riggs
Boschwitz      Helsm         Roth
Bradley        Huddleston    Rudman
Bumpers        Humphrey      Sarbanes
Burdick        Jesen         Sasser
Byrd           Kasaybaum     Shadoin
Chafee         Kennedy       Speer
Chiles         Lautenberg    Stafford
Cochran        Leahy         Stennis
D'Amato        Levin         Tower
Dixon          Logan         Truite
Dodd           Mathias       Wallop
Durenberger    Mattingly     Warner
Eagleton       Meacher       Weicker
East           Metzenbaum    Zorinsky
Evans          Massiah       Nickles
EXON

ANSWERED "PRESENT"—2

Danforth       Hein

So the amendment (No. 4268) was rejected.

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

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

The motion to lay on the table was agreed to.

Mr. BUMPERS. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. Abelson). The Senate will be in order.

FREE TRADE AREA WITH ISRAEL

Mr. CRANSTON, Mr. President, the legislation now before the Senate would authorize the creation of a free-trade area with Israel. Under the General Agreement on Tariffs and Trade (GATT), a free-trade area is created by the reduction or elimination of tariffs on substantially all exports and imports between two countries. A free-trade area with Israel would help to equalize duty-free trade between our two countries. While 90 percent of all products imported by the United States from Israel are duty free, only about 55 percent of those products exported to Israel by the United States enjoy duty-free status. A free-trade area would enable U.S. exports to compete more effectively against EC imports in Israel. I have long supported increased United States-Israeli trade, and I support the creation of a free-trade area with Israel.

At the same time, I am deeply concerned about possible economic harm to import-sensitive California specialty crops posed by a blanket free-trade area.

I would like to see the U.S. Trade Representative in negotiating tariff reductions or eliminations take into account the U.S. International Trade Commission's determination that certain U.S. products would suffer significant adverse effects from such tariff reductions or eliminations.

I believe exclusions should be reviewed every 5 years. So long as the ITC determines that a commodity would continue to suffer significant adverse effects, the exclusion should remain in effect.

If the ITC at some point determines that an industry would no longer be adversely affected, then the U.S. Trade Representative should have the authority to negotiate the reduction or elimination of the duty.

Mr. President, the ITC has studied the likely economic effects of the proposed free-trade area with Israel on industry, workers and consumers. Although the conclusions drawn by the ITC study are classified "confidential," it is my understanding that a number of U.S. products including several California agricultural commodities, indeed have been found by the ITC to be subject to economic damage from the elimination or reduction of tariffs now in place. I am concerned, however, that the ITC report may not include a complete accounting of those California specialty crops which I am convinced would suffer economically if not exempted from the free-trade area. Specifically I am concerned about the effect of tariff reductions or eliminations on tomatoes, dehydrated onions, and garlic, fresh-cut roses, artichokes, olives, citrus, and avocados.

TOMATOES

Since Israel currently has a competitive advantage in U.S. markets even with the tariff, I don't see any justification for allowing California tomatoes to be priced further out of the U.S. market. In east coast markets, one case of pizza sauce produced in Israel sells for $10 while the current tariff—as compared to $18 per case for California-produced pizza sauce. Since 1978, U.S. imports of tomato products from Israel have increased dramatically—99.3 percent in canned tomatoes, 159.6 percent in tomato sauce and 6,865.1 percent in tomato paste. During this same period, domestic sales have remained static at 7 million tons annually. Of this total, California markets about 6 million tons, far less than the 10 million tons California growers could produce if market conditions warranted. A study of Israel's tomato processing industry indicates that Israel has the potential to expand production and displace 1 out of every 6 tons of tomatoes produced by California. 85 percent of Israel's tomato crop is now marketed in the United States.

DEHYDRATED ONIONS AND GARLIC

The dehydrated onion and garlic industry is a small, highly specialized industry which produces ample supplies for the U.S. market. In fact, the industry has an annual carryover of about 10 percent and claims excess industrial capacity. Although there are virtually no imports by the United States of Israel-produced dehydrated onions and garlic, a real potential for such imports exists. First, Israel produces twice the amount of onions and garlic it uses and has the capacity to produce a good deal more. Second, Israeli-produced dehydrated onions cost $1.45 per pound, including the present duty. This price would be reduced to $1.19 per pound without the duty. The U.S. product costs between $1.19 and $1.37. Thus, without the duty now in place, the Israeli product could undersell the domestic product. Should it become profitable, Israel could undercut California produced onions and garlic to the United States, domestic producers are concerned that...
Israel's processing facilities would also be used to reprocess Egyptian presents.

LOW-QUALITY DEHYDRATED PRODUCTS FOR FREE-TRADE ZONE

California is the top state in the country, and the other hand, is a principal source of fresh-cut roses imported by the United States. In 1983, foreign roses captured 25 percent of the domestic market, up from 8 percent in 1980. This increase occurred despite the 8-percent tariff on all imported roses and the additional 22.5-percent ad valorem countervailing duty which is now assessed to offset the net benefit of subsidies to rose growers in Israel. Upon arrival in the United States, Israeli-grown roses sell for only 14 cents a bloom, including the 22.5-percent ad valorem countervailing duty rate and the 8-percent tariff. The comparable price for California roses is about 40 cents to 44 cents per bloom.

ARTICHOKEs

Ninety percent of all artichokes grown in the United States are produced within a 15-mile radius of Castroville, CA, a community of 4,500 people. Castroville is also the location of the three fresh artichoke packing plants and the sole processing plant remaining in the United States. There were six processing plants operating in 1960 but foreign competition helped cause the bankruptcy of the other five. Israel's production though has not been a factor in the domestic marketing of the California crop—Israel has only about 300 acres compared to California's 11,400 acres. Domestic growers and processors nonetheless are concerned that free trade status will lead to Israel's becoming a clearhouse for artichokes grown in other countries. Spain, France, and Italy all have artichoke acreage far in excess of California's. Right now only Spain competes in the U.S. market—selling processed artichokes for between $1 and $1.50 less per case than the same California product. France and Italy could also compete if able to market through a duty-free trade area in Israel. Israel's insignificant artichoke production can hardly justify the creation of a free-trade zone in artichokes which could open the door to European artichokes forcing California artichoke growers out of business.

Here again, Israel currently has a competitive edge over the U.S. product and does not need to have the tariff lifted. Olive production in the United States is unique to California. Due to surpluses and foreign competition, however, acreage has decreased from 40,000 to 32,000 acres—down 20 percent since 1980. Despite the current tariffs on imported olives, California growers and processors cannot now compete in east coast or midwest markets. Instead, the U.S. market for domestic olives is confined to the West. In addition, the domestic industry's surplus amounts to about 25 percent of its annual sales or 20,000 tons. However, the 8-percent tariff, olive growers and processors may face 1985 with over 1 year's supply of olives on hand—perhaps indicative of the fact that olive consumption in the United States remains high, as it was 5 years ago. Clearly the trend is unfavorable to the California olive industry. I can't see that any purpose is served by giving Israel olives any additional advantage over the California crop.

CITRUS

Preferential trade agreements on citrus imports between the European Economic Community and Israel as well as other Mediterranean countries have already cost our domestic industry considerable reductions in lost EC sales. EC imports of fresh oranges and lemons from the United States have decreased by 20 percent since the introduction of the preference schemes in 1969 and 1970. Losses are largely attributable to the EC-tariff preference enjoyed by Israel, one of the leading citrus suppliers to the Community. These preferential-trade arrangements are the subject of the oldest outstanding U.S. trade lawsuit under section 301 of the Trade Act of 1974, as amended, and the predecessor section, section 252.

The case has been pending for more than 14 years and is now being prosecuted under the dispute settlement provisions of the General Agreement on Tariffs and Trade (GATT). To now grant duty-free status to Israeli citrus which bears no preferential trading agreement would undercut the U.S. efforts in the pending GATT case. Such action would grant a trade benefit in our domestic market to a citrus industry which has caused economic losses to our own citrus industry.

AVOCADOS

U.S. production of avocados has grown enormously in the last 10 years—from 147 million pounds in 1973-74 to 500 million pounds in 1983-84. Add to this domestic production the million pounds of avocados that the Dominican Republic ships into this country annually, and the vast number of avocados that must be marketed principally in the United States becomes apparent. California producers, for instance, cannot compete with Israeli avocados in the European Economic Community and point to the estimated 75-percent ad valorem value at which Israeli production is subsidized as the critical advantage in the delivered price of Israeli avocados. The entire export market for California avocados is less than 5 percent of volume or below unless Israel suffers a complete crop failure. Hence, California producers remain heavily dependent upon the domestic market. Largely as a result of our surpluses domestic supply, the California avocado industry, with 8,500 growers, has not received a profitable return in nearly 5 years. Prices to growers again this season are to be about 15 cents below the level which would return a 15-percent profit. Eliminating Israel from the present 6 cents per pound duty on imported avocados simply would aggravate California avocado growers continuing losses, likely forcing out of business a number of farmers and workers dependent upon avocado production for their livelihood.

I intend to continue my efforts to see that each of these California commodities—especially those which may not be included in the ITC report—is exempted from tariff reductions or eliminations.

Mr. CHAFFEE. Mr. President, title IV of H.R. 3398 contains authority for the negotiation of a free trade area with Israel. This authority is timely and quite appropriate for a United States-Israel trade. Right now almost 90 percent of goods from Israel enter the United States duty free either because of zero-duty rates or because of the generalized system of preferences. So Israel already enjoys substantial duty free access for its exports into our market.

Despite the healthy trade surplus the United States enjoys with Israel, 40 percent of our exports to Israel are subject to tariffs of 10 percent or more. So a mutual elimination of duties would be a great benefit to U.S. exporters.

I support this grant of authority to negotiate a free trade area. Israel lacks access to its natural markets in the Middle East. A free trade area with the United States—Israel's single largest trading partner, would help assure a market for Israeli exports.

My concern about the free trade area had to do with its impact on the jewelry industry in Rhode Island. But I am assured that the condition of the jewelry industry, and perhaps others identified by the ITC as sensitive, will be taken into careful consideration during these negotiations.

The U.S. Trade Representative has the flexibility to shield very sensitive items from severe market disruption. Those who have concerns about specific industries need not therefore resort to specific exemptions—protection—in the legislation in order to support it.

The International Trade Commission completed its study of the trade impact of the free trade area in May and concluded that a number of prod-
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Mr. GRASSLEY. Mr. President, at a time when many countries have adopted protectionist policies, it is rare to find a nation that is willing to open its doors to free trade. As we face a burgeoning trade surplus with Israel, even extending military shipments. The 1983 surplus was about $465 million out of $3 billion in total trade.

The U.S. exports six times more in agricultural products to Israel than Israel exports to the United States; 70 to 80 percent of U.S. agricultural exports to Israel are in grains: wheat; corn; and sorghum. During a trip to Israel in February, Agricultural Secretary John Block expressed support for this bill and noted that it provides a possibility for increased U.S. grain sales to Israel. The elimination of Israeli duties is sure to result in increased sales for U.S. manufacturers exporting to Israel as well. Another side benefit that I see with this proposal is that it is critical to the viability of the Israeli economy, burdened as it is by the enormous defense requirements: the proposed free-trade area would provide essential opportunities for economic growth that will lessen Israeli dependence on foreign capital.

We should take advantage of the close relations with Israel and take this opportunity to increase our trade and, in turn, benefit the economies of both countries.

I believe in free trade and I support the negotiation of a free trade agreement with Israel. But as in any such trade negotiation, there are products reserved for special consideration by both parties. I trust that the U.S. Trade Representative in the course of these negotiations will continue to give full recognition to the ITC's findings on gold chain.

Mr. INOUYE. Mr. President, at a time when many countries have adopted protectionist policies, it is rare to find a nation that is willing to open its doors to free trade. As we face a burgeoning trade surplus with Israel, even extending military shipments. The 1983 surplus was about $465 million out of $3 billion in total trade.

There are many reasons for this decline. At the heart of the matter, however, lie two converging trends. First, increased foreign competition in services trade is rapidly reducing U.S. market shares. According to the U.S. Trade Representative's office the U.S. service trade surplus shrank from 25 percent in 1972 to 20 percent in 1981. Increasingly, U.S. service exporters face keen competition in our international trade. The second trend contributing to the decline in our service trade surplus consists of growing foreign protectionism against U.S. services exports. Today increasing numbers of nations seek to protect their emerging service sectors from foreign competition through a myriad of nonmarket barriers such as telecommunications, finance, construction, engineering, and transportation. The second trend contributing to the decline in our service trade surplus consists of growing foreign protectionism against U.S. services exports. Today increasing numbers of nations seek to protect their emerging service sectors from foreign competition through a myriad of nonmarket barriers such as telecommunications, finance, construction, engineering, and transportation.

The absence and comprehensive U.S. Government strategies toward the service sector are seen and felt most acutely in the international trade area. The disastrous attention to international competition which has led to the crippling of many of our manufacturing industries must not be allowed to dissipate our lead in the services trade.

We need an integrated set of national policies toward the service industries which will promote their economic significance and also actively promote domestically based service firms and, through them, the national welfare. We need a clear set of priorities which accords services the attention they merit. One can be certain that other...
industrial countries give their service firms far greater support than does our Government.

In many countries, for example, U.S. insurance firms are prevented from establishing affiliates capable of competing against national companies, and their competitiveness is reduced by other measures such as capital or personnel controls. American banks, transportation companies, and telecommunications firms are also victims of investment and trade curbs in many countries. The barriers to the export of U.S. services and the spread of U.S. investment are multitudinous.

The legislation we are debating takes an important step in the direction of insuring open markets for services trade. The bill charges the President efforts to expand our priority programs, and developing a work program for negotiations to reduce services trade barriers. In addition, the legislation would clarify and expand the coverage of U.S. law to deal more effectively with trade in services problems by ensuring that the President can take action to remedy services trade problems under section 301 of the Trade Act.

The legislation would establish a service sector development program, providing for much-needed collection and analysis of domestic and international services information. Although the United States has undertaken efforts to understand further the role of services in the international economy, much more work remains to be done to understand, quantify, and take into account services' full impact on trade and national accounts.

I believe this legislation is crucial in our efforts to expand our export performance in the services sector. It is time we stopped treating services as an afterthought and begin to consider what international rules would best promote free trade in the ever growing service sector.

I would also like to express my support for the high technology tariff negotiating authority contained in section 303 of the bill.

This section gives the President new authority to negotiate mutual reductions in high technology tariffs. The Japanese Cabinet has already issued a directive to its customs service to admit U.S. semiconductors and parts of computers. Similarly, Japan, West Germany, and France have also made several short-sighted, politically expedient actions. Most
recent was the administration's actions on behalf of the textile industry when it radically altered the country of origin regulations. Instead of taking broad-based actions to address the problems of the textile industry, and there are serious problems facing the domestic textile industry, the President responded to calls to do something. In the process, the administration injured American retailers facing the crucial holiday season and placed at risk the American farmers' most promising hopes for new markets in China.

For the record, I would like to again call on the President to reconsider his actions. Prior to the implementation of the interim country of origin regulations, I joined with the junior Senator from Kansas and several farm State Senators in an appeal to the President to delay implementation of the new regulations until after first of the year. Then, the full economic impact could be evaluated. At this time, I ask unanimous consent that the attached two letters be incorporated into the RECORD.

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

U.S. SENATE,

DEAR MR. PRESIDENT: We are deeply concerned over the potential impact of proposed U.S. Customs Service modifications to its current regulations governing the importation of textiles and textile products. These proposed modifications, as outlined in the August 7, 1984, Federal Register, could potentially cause major problems for retailers, importers, and consumers and could further jeopardize U.S. agricultural and forest product exports to the Far East for years to come.

We can ill afford another interruption of our agricultural exports to the Far East, in particular the People's Republic of China, as occurred last year due to the controversy over textile and apparel imports. The subsequent decline in Chinese purchases of U.S. wheat alone due to that controversy resulted in a loss in export earnings of over $500 million. We feel that the potential loss in export revenues as a result of the proposed customs changes could be even greater than our losses in 1983 due to the fact that more countries will be affected by this action.

The Asian markets present perhaps the most promising opportunity for the United States to expand its exports of both raw and value-added agricultural and forestry products in the world. We have seen an amazing growth in demand for our products over the past several years, and we are committed to working for continued growth in these markets as we know your administration is. However, if we expect to realize this growth, we must demonstrate to our trading partners our willingness to maintain pragmatic trade relations. The proposed customs regulations are set to become effective on September 7, will clearly transmit a less-than-pragmatic approach to our trading partners.

World trade, and in particular world agricultural trade, is extremely competitive business and one in which the protectionist trade practices of some of our competitors are becoming increasingly competitive. We feel that if this administration does not stand firm now in resisting protectionist pressure from within the United States, we may be setting the stage for a period of international trade disruption. The U.S. economy, and in particular our strong agricultural sector, will stand to be big losers during such a period.

We strongly urge you to change the effective date of these interim regulations to January 1, 1985, so that ample time may be allowed for affected parties to comment on the changes. We also call on you to take the additional steps needed to allow for the formulation of a regulatory impact analysis which we hope would pay particular attention to the effect these regulations would have on U.S. agricultural and forest product exports to affected countries.

We hope that you will share our concern over the urgency of this matter and that you will see fit to act upon our above-stated request as soon as possible.

Sincerely,

[Signatures]

U.S. SENATE,

DEAR MR. PRESIDENT: We are writing once again to urge you to take steps to delay, in all respects, the proposed modifications to the proposed U.S. Customs Service regulations which govern the importation of textiles and textile products into the United States. As we noted in our earlier letter, the modifications proposed by the Customs Service would have a profound impact on U.S. agricultural and forest product exports to the Far East for years to come.

On Thursday, August 23, it was announced that 28 percent of the portion of the proposed regulations would be delayed until October 31, 1984. However, the effective date for the remainder of the regulations, including the most important provision dealing with the "country of origin" of textile products, was maintained. We are writing before September 7, new and unduly restrictive textile import rules will be implemented.

We are certain you understand the impact of these rules on all aspects of American international trade. Retaliation is a probability, not merely a possibility. Recent history provides ample evidence that our trading partners will not idly stand by as we attempt to limit their access to American markets. Recent history also shows that the disproportionate impact of any retaliation will fall on the U.S. agricultural industry, aggra-vating already severe economic problems throughout the sector.

Any action short of a comprehensive delay of the effective date of these regulations will not prove acceptable to American farmers, retailers, and consumers. These regulations dramatically change the United States' rules for textile imports. Indeed, upcoming meetings of the Textile Committee of the General Agreement on Tariffs and Trade will indicate worldwide concern about this unilateral action. We hope you will agree that a postponement of the effective date of these interim regulations until after first of the year is clearly necessary.

We hope that you share our concern over the urgency of this matter and that you will see fit to act upon our above-stated request as soon as possible.

Sincerely,

[Signatures]
$149.8 billion through July 1983 to $199.6 billion in 1984.

The nation's merchandise trade deficit—the gap between import dollars flowing out of the country and export dollars coming in—reached $73 billion in the first seven months of the year. That number may surpass $240 billion by the end of the year, according to U.S. Department of Commerce estimates.

"The research shows that a foreign trade deficit is because of the ($300 billion) federal deficit," said Dennis R. Starleaf, a professor of economics at Iowa State University. "To cover this deficit it (the government) has to borrow funds, and it is borrowing a lot of those funds abroad. When you are a net borrower, abroad, you must import more than you export."

BORROWING ABROAD

"Because we are borrowing so heavily abroad within approximately one year, we will be a net debtor nation for the first time since World War I," he said.

To meet the continuing demand for credit by consumers, business and the federal government, interest rates must remain high enough to draw foreign investors into U.S. markets.

"Agriculture, particularly Midwestern agriculture, is being hurt," Starleaf said. "Midwest agriculture is primarily export oriented, and that relies upon foreign markets being impacted."

Every year since 1976 foreign manufacturers have invested $32 billion more merchandise in U.S. markets than Americans have sold abroad. In four of the eight years since 1976, the merchandise trade deficit (the excess of imports over exports of steel, textiles, machin­ery, agricultural products and other goods) was largely offset by money returning to the United States from American investments abroad and from the sale of services such as engineering and architecture.

Since 1981, however, the current account balance, which measures both goods and services, has been in the red.

Last year's merchandise trade deficit was a record $60.6 billion, nearly twice the size of any deficit the United States has experienced since World War I. It also was more than double the $28.5 billion received in income from investment and services. But it is less than half of the deficit the Com­merce Department forecasts for 1984.

STRONG DOLLAR HURTS

The dollar, which continues to set new highs, is harming the federal budget deficit, said Richard Gady, vice president of commodity research for ConAgra, an agricultural commodities company.

"The high dollar budget helps cause high interest rates, which cause foreigners to be more willing to hold their dollars in the United States," Gady said. "That makes our dollars strong, which hurts our exports."

The dollar's high value increases the price of foreign products abroad. It also means U.S. buyers can buy imported products for fewer dollars than they can purchase comparable American goods.

"The high dollar international economy should reduce the U.S. trade deficit—or at least keep it from widening—by increasing demand for American products abroad and by strengthening foreign currencies in relation to the dollar, Gady said.

The Commerce Department estimates total U.S. agricultural exports at $33.5 billion, up from $36.5 billion last year, said David C. Lund, senior research econom­ist for the Commerce Department.

"We would expect a more sustained pick-up for the rest of the year," he said.

Grain exports were lower this year than they might have been in part because the Department of Agriculture's price-support program resulted in less grain available for export, Gady said.

"The outcome of the exports to pick up again, almost entirely because of a higher level of Russian purchases of U.S. grain," he said.

Gady puts the figure for total agricultural exports in 1984 "a little higher" than the Commerce Department's $38.5 billion.

"A lot of the increase is due to Russian buying, part due to poor crops in Canada, and some to recovery in the overall world economy," he said.

EMBARGO EFFECTS LINGER

"Even though our Russian exports will be up sharply, we still won't have more than a third of their total market, compared to 70 to 75 percent prior to the (1979-1980) em­bargo. In 1982-1983, we had 20 percent of the Russian market."

The Russian embargo has caused them to be unwilling to buy for the major­ity of their grain imports."

Loss of market share is an increasingly se­rious problem for American exports, Gady said.

"Over the last three years we have lost about 10 percent of the world grain market."

It has cost the American industry $2 billion to go head to head with the EEC, which subsidized it because that was a market that the EEC had taken away from us. It was a signal to them that we may have had enough of losing markets to their higher-cost products.

"It might have had some impact," he said, "but we haven't followed through on it. There really hasn't been much willingness to go head to head with the EEC to get back market share."

Although wholesale subsidies are probably counterproductive, Gady said, "They can be effective if used selectively at target mar­kets that hurt us from day one.

"Agriculture is not the only industry plagued by import-export problems. The American Iron and Steel Institute reported that imports of 25 percent of the country's crude steel came from Japan and the U.S. has had trouble trying to sub­sidize the rest of the market to keep Japan out."

Although American producers are concerned about Japan's growing plutonium, the Japanese are concerned that America, a 25 percent market, will join the European Economic Community, which subsidizes its producers heavily to undercut the United States."

The United States tried a similar subsidy program only once, he said.

"We exported 1 million tons of flour to Egypt and it came about because we had a market that the EEC had taken away from us. It was a signal to them that we may have had enough of losing markets to their higher-cost products."

"It might have had some impact," he said, "but we haven't followed through on it. There really hasn't been much willingness to go head to head with the EEC to get back market share."

Although wholesale subsidies are probably counterproductive, Gady said, "They can be effective if used selectively at target mar­kets that hurt us from day one.

"Agriculture is not the only industry plagued by import-export problems. The American Iron and Steel Institute reported that imports of 25 percent of the United States'

The study notes that the lost exports to Brazil and Mexico have cost the United States about 250,000 jobs.

The Senate continued with the consideration of the bill.

AMENDMENT NO. 4276

(Purpose: To reinstate the duty on tetra­amino biphenyl if it is introduced in the United States)

Mr. BAKER. Mr. President, I have consulted with the minority leader, and I am presenting the following amendment of the Judiciary Committee on this matter. I send to the desk an amendment on behalf of the distinguished senior Sen­ator from Virginia [Mr. WARNER], and I ask that it be stated by the clerk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. BAKER], for Mr. WARNER, proposes an amendment numbered 4275.

Mr. BAKER. Mr. President, I ask unanimous consent that further reading of the amendment be disposed with.

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

The amendment is as follows:

On page 22 of the matter proposed to be inserted, line 12, strike out "Subpart B" and insert in lieu thereof "(a) Subpart B."

On page 22 of such matter, in the matter after line 14, strike out "12/31/88" and insert in lieu thereof "the termination date".

On page 22 of such matter, at the end of the page, add the following:

(b) The headnotes to subpart B of part 1 of the Appendix is amended by adding at the end thereof the following new headnote:

"T. For purposes of item 907.32, the term "termination date" means the earlier of—\n
(1) December 31, 1988; or

(2) the date that is 15 days after the date on which the Secretary of the Treasury publishes in the Federal Register notice of the study of tetraamino biphenyl in the United States".

Written statement by any person decla­ring to be such person is producing tetra­
ble for any domestic manufacturer to produce this chemical at this time, and it does not appear that a domestic supplier will be available in the near future.

For this reason, I feel that it is extremely important that the users of TAB in the United States have an adequate, high quality supply of this chemical.

I would also like to emphasize that this duty suspension is temporary and will expire on December 31, 1988.

While I do not oppose the concept of this amendment, I do feel that it may be unnecessary at this time.

In fact, I would be pleased to pledge to the senior Senator from Virginia that I would strongly support a legislative measure to reinstate the duty on TAB if a domestic producer should begin to manufacture this chemical.

Mr. WARNER. Mr. President, I appreciate the expression of concern on the part of the distinguished Senator from South Carolina.

Indeed, our trade policies should encourage domestic production while, at the same time, not promote unnecessary trade barriers.

The amendment I offer is an amendment to language supported by the Senator from South Carolina, and I understand both his interest and concern in keeping with the intent and letter of the motion to proceed.

Mr. WARNER. Mr. President, I am grateful to the distinguished colleague that has offered, I believe we can achieve basically the same objectives my amendment seeks to obtain.

With those assurances, Mr. President, I ask that my amendment be withdrawn.

Mr. THURMOND. Mr. President, I am grateful to the distinguished Senator from Virginia for his understanding in this matter, and I look forward to working with him in the future if a domestic source of TAB should be made available.

Mr. BAKER. Mr. President, the amendment having been explained by the statement of the distinguished Senator from Virginia [Mr. WARNER], and having elaborated that with the colloquy of the distinguished chairman of the committee, on behalf of Senator WARNER, I withdraw the amendment.

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

Mr. BAKER. I thank the Chair.

TELEVISION AND RADIO COVERAGE OF THE SENATE

The PRESIDING OFFICER. Under the previous order, the hour of 4 p.m. having arrived, there will now be 2 hours of debate on the motion to proceed to the consideration of Senate Resolution 66, as if it were before the Senate, with the time to be equally divided between and controlled by the Senator from Maryland [Mr. MATHIAS] and the Senator from Louisiana [Mr. LONG] or their designees.

The Senate resumed consideration of the motion to proceed to consider the resolution (S. Res. 66) to establish regulations to implement television and radio coverage of proceedings of the Senate.

Mr. MATHIAS. Who yields time?

The Senate will be in order.

Mr. MATHIAS. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be counted against either side.

Mr. LONG. Mr. President, reserving the right to object, in view of the fact that the vote is expected at 6 o'clock, I suggest that we count the time equally against both sides.

Mr. MATHIAS. I have no objection.

Mr. BUMPERS. Mr. President, I did not hear that.

Mr. MATHIAS. I asked for a quorum call.

Mr. BUMPERS. I have no objection to a quorum call, but I do not see why.

The PRESIDING OFFICER. The objection is withdrawn, and it is so ordered.

The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

Mr. MATHIAS. 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. MATHIAS. Mr. President, I am advised by the distinguished chairman of the Finance Committee that there is a possibility of making some significant progress on the trade bill, and he has requested that we might delay for 30 minutes the debate on the motion to take up the matter of TV in the Senate, so that he can continue for that period of time on the trade bill.

So I ask unanimous consent that we go for another 30 minutes on the trade
standing that the President is going to the right to object, it is my understanding that the President is going to make some decision this afternoon, or is going to announce his decision, in contrast with a matter involving steel imports.

So at this point I wish to object on the part of others—and if not others, on my own part—because I would like to know what the President is going to recommend.

The PRESIDING OFFICER. Objection is heard.

Mr. MATTHIAS. Mr. President, first, I inquire of the Senator from Louisiana whether he would like to make some remarks at the outset or whether he would like me to go forward. I will be happy to go forward.

Mr. LONG. I suggest that the Senator proceed, and I will follow him.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. Mr. President, today, as we debate whether or not to televise the proceedings of the U.S. Senate, there is one important fact that we should keep in mind, one fact that is vitally important, and that fact is that information about Congress and about the Federal Government is of vital concern to every citizen of the United States of America; and it is not too much to say that the lives not only of American citizens are going to be shaped but sometimes misshaped by these forces. The truth is that the forces that shape the lives of all Americans tend to be the result of decisions, events, and factors that cannot be understood, can be explained, can be changed on occasion, and I believe that we have some responsibility to help alleviate this state of frustration, this condition of feeling hopeless and nearly helpless in the face of unseen and unknown forces, and one of the ways that we can do it is by making it possible for the average citizen to participate in the proceedings of the U.S. Senate and to understand that if a decision is being made which may adversely affect his life or her life that it is not being done for some exotic reason, that it is not being done for no reason at all, that in fact it has a basis in rationality and if citizens can see the opposing arguments made, the opposing interest advocated, if they can see that both results cannot be achieved and that there has to be a choice between one or the other, then they will be able to understand why it is that these things are happening.

We may not be able to understand that what they do here in the Senate today is to balance the equities, to make hard choices, and that if we make one choice that helps one group of citizens, we are making another choice that will be beneficial to a different group of Americans. It is impossible in making such choices to equally benefit everyone at the same time but at least they will have the reasons that these decisions are made.

Now, even though people may not like what they see, even though they may not agree with the decisions that have been made, and even though they may not have made the same choices themselves, at least they can understand that we were acting in a reasonable way, in a way which reflects the difficulties of the times, or the difficulties of the economy or the difficulties of the international situation. And this certainly is one of our duties. We have a responsibility not only to bring the best of ourselves to this effort but to inform the country of what we do and the reasons for doing it.

And if the modern technology which is now available and which is familiar to almost every citizen of the country will help us to discharge this responsibility, then I say we should employ that technology. The time has come to move this bill and to find the vehicle to make that happen is at hand in Senate Resolution 86 which I hope
we will vote to call up as a result of the rollecall at 6 o'clock this evening.

I do not want to recount in detail all of the things that have happened which bring us up to today's consider-

ation of Senate Resolution 66 because such a repetition would be time con-
suming and I think unnecessary. Every Member of the Senate knows the hi-
ghlights, I think on some 40 occa-
sions, to debate the merits of opening

the period arose, I think on some

members of the cable TV

industry and a number of distin-

guished

industry and a number of distin-

guished

 Members of the Senate provid-
ed for radio and television coverage of de-
bates in the Senate.

Senate Resolution 20 was approved

with an amendment that would only

become effective upon the approval of

master was held on the Pearson and Ribicoff

report. And so the markup was de-

ferred until after the hearings had been

held on the Pearson and Ribicoff

report. And so the markup was de-

layed.

The Senate Rules Committee, since

1981, has convened seven times for the

purposes of holding hearings on the

issue. The committee has received

some 50 different statements on the

 advisability of televising Senate pro-
cedings.

I might say that that included 20

statements that were submitted by 12

Members of the Senate. We have had
statements from 12 members of the

media, from Members of the other

body, from members of the cable TV

industry and a number of distin-
guished citizens who offered their

opinions to us.

In 1982, televising the Senate was

the pending business of the Senate for 13 days; 21 Senators during that

period arose, I think on some 40 occa-
sions, to debate the merits of opening
the proceedings to a wider audience. And other Senators have given their
views to the Rules Committee in the

interim.

So this is an idea that has been dis-
cussed, the implications have been

weighed, the issues are known, and we

now have Senate Resolution 60 before

us.

We will not please everyone with

this resolution, but we have made a

sincere and genuine effort to accom-
modate the opposing views that have
been expressed in the prior proceed-
ings. After such a long and protracted

debate, I think it is now time to act. We have studied and taken testimony and talked about it

long enough. The decision we are to

make involves a fundamental right,

the right of citizens to know what

their Government is doing—what one

of the most important elements of the

U.S. Government is doing. Citizens

are entitled to a vote in favor of the

motion which is now pending in the

Senate.

I know that in the next hour some-

one will, without doubt, hold up the

CONGRESSIONAL RECORD and say, "You
do not need to televise the proceedings

of the Senate; all you have to do is read the CONGRESSIONAL RECORD."

Well, there might have been a time

when that was an adequate statement.

There might have been a time when

reading the CONGRESSIONAL RECORD would have told you what was hap-
pending in the Senate. At that time, a

year's subscription to the CONGRES-

SIONAL RECORD would have cost you

$2.50, too, a sum which was within the

reach of most citizens—$2.50 for a

year's subscription.

However, if Senators will consult the

copy of the CONGRESSIONAL RECORD of the day, they will find that you can no longer obtain a

year's subscription of the Record for

$2.50. It now costs over $200 a year. It
costs a $1 subscription, that is pricing

out a number of citizens.

In addition to excluding citizens from

knowledge about the proceedings of the Senate on economic grounds, I

think there is a factual and factual

question which arises. The Record
does not always reflect what happened in the Senate. Additional statements
are included, statements actually

made are deleted, and so we do not have in any place a historical and ac-
curate record of what occurred in the

Senate.

This is a disservice not only to the

citizens of our own generation, but it is

despite to the future. Mr. Presi-
dent, that is a disservice that we can

remedy today by voting to approve the

motion and by adopting Senate Reso-

lution 66.

I reserve the remainder of my time.

Mr. LONG. Mr. President, today we

are again discussing the question of

television in the U.S. Senate. This

question was first raised by the

Senate in April 1982 when the Senate

approved Senate Resolution 20. This

resolution authorized television and

radio coverage for the action in the

Senate Chamber subject to the ap-

proval of the Senate by a separate res-

olution outlining the regulations

which would govern the televisi-

on and/or the radio coverage that

would be appropriate in that situation.

Keep in mind, Mr. President, that

resolution was adopted in a previous

Congress. But it was clearly contem-

plated that if we have to have television in the Senate we should consider the

changes that would be necessary in

order to assure fairness, in order to

preserve the traditions of the Senate, in

order to accommodate the problems

and pitfalls that one could anticipate in the event that we made that deci-

sion.

We have such a proposal before us

here. Mr. President, and the motion is
to proceed to it. I regret to say that

there is nothing in the measure or the committee report to suggest what

changes in our procedures or way of doing business would be indic-

ated in the event that this body should decide that the debates here

should be telecast live to the people of the

United States.

The committee report indicates that

after some consideration it was con-

cluded that no change of the Senate

rules or the Senate precedents would

be indicated to handle the problem.

Now that is clearly contrary to what

the Senate had in mind. Those who in-

sisted that this provision about the

changes in the rules or precedents and

whatever additional measures might

be necessary clearly had in mind that

they felt that there would be a need to

change certain aspects of the Senate
to conform to the problems that would

be created.

There are some of them that occur to

the Senator from Louisiana just off

the top of my head. Surely those able

Senators serving on the Rules Com-

mittee must have thought of some of

them even if they thought of them

only to conclude that nothing should

be done about it. But nothing of that

sort has been made available to me to

indicate that we have before us even a

suggestion by the majority on the

Rules Committee as to how the TV

coverage might suggest a different

approach in meeting a problem.

While my opposition to gavel-to-
gavel coverage of the Senate—that is

what we are talking about, gavel-to-
gavel coverage—has been well-known,

I did vote for the compromise version

to S. 20. I was willing to allow the

Committee on Rules to present the

Senate a more detailed proposal on im-

plementing TV and/or radio coverage

of the Senate. In the past, as an op-

ponent of the TV coverage, I felt that I

might be justified in voting for the

proposal until we had a specific pro-

posal specifying regulation and rule
changes that would be necessary to implement the television and radio coverage. Mr. President, I believe there is no reason that the Senate should waste another 60-day period. We have tried it now, in the limited time we have available to us in the remaining days of this Congress, to proceed with this resolution.

When the Senate asked for a specific change of recommendations and rules changes, there was much discussion on the Senate floor outlining questions that Senators wanted analyzed in discussing the scope of the committee rules mandate. This exchange took place between Senator DANNFORTH and the chairman of the Rules Committee. Let me make clear, Mr. President, what I am quoting here happened in the previous Congress. The Senate is a continuing body. Most of us are still here. It would seem to the Senator from Louisiana that members of the Rules Committee would certainly—members of the Rules Committee—respect the wishes of the Senate, and try to carry out whatever mandate the Senate had in mind when they undertook to proceed to carry out their responsibilities.

Let me quote what certain Senators said at the time we considered this matter previously.

Mr. DANNFORTH. We would consider such matters as whether there should be any changes in the rules relating to unlimited debate; whether quorum calls will serve the same function when television comes in as they do now; whether the printed Record will be considered as a primary source of ascertaining legislative intent; if that is in conflict with the television record; changes relating to the scheduling of Senate business when committee meetings are held; voting procedures; floor conduct; where people speak from; how time is allocated between the proponents and opponents of amendments, and so on. Is it the intention of the Rules Committee that the committee report simply states: the effect of television will be broad in scope or narrow in scope?

The majority leader when he testified before the Rules Committee over 1 year ago stated in part:

Indeed, I believe that the television will bring changes in the Congress, in the Senate. It will necessarily bring changes in the scheduling of the great debates that must occur. It may perhaps change the way we conduct ourselves on the floor, maybe even change some of the provisions of the Manual of the Senate Procedure that was written by Thomas Jefferson.

That indicates that at least it was anticipated that the majority leader a year ago that some very far-reaching changes would be considered. On the other hand, when the resolution was adopted by the Rules Committee, the Senate did not expect that the resolution would be weakened by the event of television. Mr. President, I am deeply concerned that the study should be broad in its analysis and not a narrow look at the effects of television, and not take a serious look at the precedents which, if changed as a result of television, would affect the rights of the minority. I say if the authors of this amendment might be willing to modify their present amendment to include the words "rules or practices" as well as that we have the assurance that this study would include an analysis of the precedents and that it would be done.

Mr. MATHIAS. Let me suggest to the Senator from Connecticut that it is an old rule of law that the calf goes with the cow. And I think that you cannot look at the rules without looking at the practical application of the rules through precedents. We will clearly do that. I give every Senator every assurance that the television will be implemented and that the precedents would be surmounted to implement television.

Mr. President, Senate Resolution 66 contains many of the same features as the resolution that I mentioned that will be done. The resolution to which the majority leader has moved to proceed is a resolution which seeks to implement TV coverage in the Senate.

Mr. President, Senate Resolution 66 introduces a similar manner questions about control over the events of television, rules for the sequence of speakers, length of individual speeches and debates, and the question of which of the minority Members or Members who take a minority position on any given issue. The committee report simply states:

There is no reason to believe that the system now followed by the Senate which governs each of these matters and provides elaborate safeguards for the rights of each Member will be weakened by the event of television. Therefore, no changes of Senate rules will be necessary.

Mr. President, just one problem comes to mind at that point which to me is very important to be considered. No committee is better qualified, or perhaps any, to make a recommendation than the Rules Committee, than the Committee on Rules. Let me just talk about that one point which to me would have to be considered in any proper consideration of this issue, that is, the recognition of speakers by the Chair.

Mr. President, I do not wish to suggest that the Republican Party or the majority party of this Senate, one has the power to play politics in that Chair. Good Lord, forbid that I would suggest such a thing. I am thoroughly familiar with the fact that there have been occasions when just a change in the Presiding Officers found that there is just a great deal of significance to that Presiding Officer's job, especially if he is willing to rule the way that would be favored. And I must say, Mr. President, there have been times when just a change in the
Mr. President, let me quote that again. This is a group appointed by the majority leader, Mr. Baker, and we added two more statesmanlike former Senators, Senators Pearson and Ribicoff. What did they say about this matter? “The study group feels that broadcasting the Senate is a worthwhile activity, and therefore the record of the Senate would not be helpful to either the Senate or the public.”

These able men along with our former Parliamentarian, Parliamentarian emeritus Floyd “Doc” Riddick, donated their expertise to examine not only the rules that we have written on paper but the practices by which the Senate is operating in ways that best fulfill our duty to the country and our unique role under the Constitution.

The report goes on to specify that “Televisioning major issues one or two times each week for a period of 2 or 3 hours each time may be a very good idea.” I think we should remember that this recommendation is made in the context of the full report which suggests many changes in the operation of the Senate. Senators may agree with some of these recommendations. However, some consider a major departure from the current operation of the Senate and will require careful examination. The recommendation of television coverage under the limited circumstances provided in the report states, “This would give Senators an opportunity to present their views to the country on issues debated and for the Senate a way to preserve the features of the U.S. Senate.”

This caveat clearly indicates that additional coverage, especially gavel-to-gavel coverage as recommended by this resolution, would have an effect on the fundamental and unique nature of the Senate. Rules changes may be a way to preserve the features of the Senate that are important.

What is the evidence that the committee has that there is no reason to believe rules changes may be in order? It seems like we will be better off with what we have. It doesn’t cause you to know that you could sense the mood of the people down there but yet you knew that you had 2 more minutes and you had to disappear?

Mr. Baker, I was interested in some remarks made by the distinguished majority leader during an interview with the Cable News Network at the Republican Convention. It is available in the public domain and I would like to share with my colleagues an excerpt from this interview of Senator Howard Baker by a reporter in the transcript identified as Mr. Shaw which took place on August 22 of this year.

Mr. Shaw. But if what you say is true about your party being organized together, why is the script for the convention day after day? Why the scenario?

Mr. Baker. Television. I began going to conventions in 1952 in the Taft-Eisenhower campaign. I was with Ev Dirksen the afternoon Bob Taft came to him and asked him to make that famous speech where he wagged his finger at Tom Dewey and said, “You took us down the road to defeat.” And I watched firsthand those events develop spontaneously and there was no script. There was a convention of people, the Democratic Convention in San Francisco, and this one really is a convention of television.

I presided for two nights and I had a script. I had a time paper there, down to the minute.

Mr. Shaw. How did you do? Did you stay on time?

Mr. Baker. I stayed on time.

Mr. Shaw. But didn’t that repulse you at all? You are a spontaneous man. Didn’t that cause you to know that you could sense the mood of the people down there but yet you knew that you had 2 more minutes and you had to disappear?

Mr. Baker. I guess so. It bothers me because you are right. I am a spontaneous person, that is what I am. But that is the way both parties are doing it, and that may be the way it is for a long time.

Mr. Shaw. But what do these delegates have to do down here on the floor this week?

Mr. Baker. Well—

Mr. Shaw. They are just sitting there.

It goes on:

Mr. Baker. Let me say in response to that, one way or the other this is it—

A great and able statesman, Senator Baker...
my speech as temporary chairman and I would like to use 8 or 10 minutes and I began to speak. I was doing my best and my voice was dry. I looked down to the audience and I listened to the comments and everyone was looking around and walking around. So I thought I will just deliver the speech to the fellow in the front row. So I took my stake and very soon after, he got up and left. It suddenly dawned on me that there is nothing left for me to do but talk to these cameras up there. So for the rest of that speech all I could do was try to talk to your camera and everybody else's camera. But that is a sort of hallmark of a television convention. I don't know whether it is good or bad, but it sure is different.

Mr. President, that is our majority leader, one of the greatest enthusiasts for those amendments have the bit in their mouths. 

No doubt if the Senator said it, I know it would be true. I have never known him to say anything that he was not positive in his own mind that he was absolutely correct.

Let me say that while I heard what the Senator said and I accept it, I do not quarrel with it for a moment, I say that as a Senator sitting here on the floor, knowing that the rules say that the Presiding Officer shall recognize the first person to address the Chair, during the initial 36 years in the Senate. I must have seen, let us say, failure to comply with that rule at least 1,000 times. But I would be the last to say that that was ever done by the Senator from Nebraska. I am sure if he said it, it has to be true.

Every time more than one Senator is on the floor, he carefully listened and without fail, whichever Senator demanded recognition, every one-hundredth of a second before the other Senator, he recognized that Senator.

Mr. EXON. I thank my friend from Louisiana.

Mr. MATHIAS. Will the Senator yield to me for 30 seconds on my own time? I have to observe that this interesting human colloquy which has taken place between these two Members of the Senate under unanimous consent will be put after the Senator from Louisiana has completed. That is historical distortion. That is fiction and it is a fiction that I think is a matter of gross misrepresentation. What they have just undergone is a human exchange, and that will be lost to the American people with the history.

Mr. LONG. Mr. President, I ask unanimous consent that that part of the Senator's statement appear immediately where it was stated.

Mr. MATHIAS. Hurray, we are winning the battle for truth. [Laughter.]

Mr. EXON. I thank my friend, and I think the colloquy we just had will indicate more than anything else that we all are human, and we have some interest to the debate on television in the U.S. Senate. I notice that one slight unintended error, I think, that my friend from Louisiana would agree to.

In the days of yesteryear, this Senator from Nebraska used to spend considerable time in that chair, and, to my recollection, never, ever was unfair or partial to any of my colleagues in the Senate.

Having said that, I think that what the Senator from Louisiana was trying to say was that the other 99 of my colleagues have been partial and unfair in the chair from time to time but certainly not the Senator from Nebraska.

Would you, sir, from Louisiana agree with that, that judicious observation?
up a finger to see which way the wind was blowing. As President, stability has many benefits but one huge drawback when seen through the lens of a TV camera—stability is as drab and dull as dishwater. Television thrives on the dramatic, the exciting, the image. Every media-wise interest group knows that to get on the evening news, you have to stage an event. A protest march will be seen around the country while a well-reasoned paper will sink into oblivion.

Will this fondness for the dramatic influence the operation of the Senate? The answer is yes, but not throughout to what extent is open to debate.

Let us take a look at what happens when the Senate considers a controversial piece of legislation. Assume that we have jumped all the possible procedural hurdles and that we are on the bill. Then the proponents of the bill are expected to explain the virtues of the bill. I believe it is fair to say that these speeches accentuate the positive, to say the least. Opponents next take the floor and do the opposite. This is the biggest danger to western civilization since the plague.

Those speeches will make good television. Those who are most clever or most obdurate will likely see themselves on the evening news because they have proposed this resolution authorizes $3 million to purchase and install the broadcasting system. The Senate will have to pay another $600,000 a year to operate the system.

I grant that these sums are small in relation to the total size of the budget. But with deficits around $200 billion, many Americans are going to pay higher taxes to see their benefits reduced as we work to control these deficits. Under these circumstances, we should not be spending even small sums to put the Senate on television.

Mr. Long. Mr. President, the Senate would be different under gavel-to-gavel coverage, and I believe that is a central question we should focus on when we take up the matter of televising the Senate.

Let me just mention one objection which I will discuss at greater length later on. Those who propose this resolution have suggested on occasion that this measure will not require a great deal of additional hours of meeting of the Senate or a great deal of additional discussion. I have been here for 36 years, and I know something about the Senate. I have discussed this matter with other Senators.

There is no doubt in my mind that if we were to have gavel-to-gavel coverage of the U.S. Senate, it will require a great deal of additional Senate oratory and Senate discussion.

One of my distinguished colleagues, whom I admire greatly, whom I admire, a very good Senator, has not entered into the debate so far—but he will engage in it later. He has said that if this measure goes into effect and the Senate is to be on television gavel to gavel, while today he makes only about one speech a month, he will have to make at least one speech a week.

Why is that? Well, the reason is that the folks back home will be asking: ‘Why don’t we hear from our Senator? Where is he? Where is the guy? Why isn’t he up there talking?” Even if the TV camera shows that he is in his seat while others in that area are speaking and they know he is there, they will say, ‘Why doesn’t my Senator get up and say something? He just sits there like a bump on a log. I want the Senator up on his feet, talking, and getting into the thick of things, saying something.”

A friend of mine, a friend of all of us, a thoughtful, and scholarly, and studious Senator, said he thinks he will have to vote for TV in the Senate, reluctantly. I said, “Why?” He said, “Because people back home don’t think I’m doing anything. One of my colleagues in the House is on TV all the time. They see him every time they turn on the TV. There he is. He is working, too. They don’t think I’m doing anything. I have to get on that boob tube, and the only way I know how to do it is to vote for this thing and be on TV.”

I have no doubt that there is merit to his suggestion, but although the Senator may be correct in that, that is not the end of his problem. Knowing this very able, thoughtful, quiet, studious, and studious Senator, said he thinks he will have to vote for TV in the Senate, reluctantly. I said, “Why?” He said, “Because people back home don’t think I’m doing anything. One of my colleagues in the House is on TV all the time. They see him every time they turn on the TV. There he is. He is working, too. They don’t think I’m doing anything. I have to get on that boob tube, and the only way I know how to do it is to vote for this thing and be on TV.”

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this matter to the taxpayers, it fails to take into account the big items. What are the big items of expense? Not the cost of installing those cameras. That will not be the big item of expense. Nor the cost of operating the cameras. These additional speeches will have to be taken down and printed in the CONGRESSIONAL RECORD, and those Records will be mailed out to people in the country. It will increase the cost of printing, and that additional cost will exceed everything in the estimate—just the cost of printing and distributing the CONGRESSIONAL Record alone. That is just one part of it.

When the doorkeepers find that they have to work longer hours—and I think I am strongest among the doorkeepers—when they see all these additional hours the Senate is meeting, without additional pay—one of the arguments people make is that doorkeepers are paid anyhow—when they have to work 50 percent or 100 percent longer maintaining those doors, maybe they will not bellow about it, but they are going to get the word through to the Senators: “It isn’t fair. We are working longer hours, and we should be paid more.”

You either have to hire more doorkeepers or pay them overtime for the additional hours they will be working. That is not in the estimate.

Furthermore, when Senators are making the TV speeches once a week instead of once a month, they will have to rehearse those speeches. They will not be using prepared text. The majority leader has indicated that we should get away from prepared text. They will rehearse that speech, practice it, work on elocution and diction, so that they will be great and classy when they make it.

And you say that all that, they will need additional assistance, somebody who is a makeup expert, to prepare them for television. They will need the assistance of somebody who is good on television, to show them how to get these things off, so that it can be picked up in 10 seconds or 20-second film clips to be replayed on the evening news. The cost of those additional employees does not appear in that estimate.

The estimate also does not take into account the fact that the Capitol Police will have to work much longer hours, and they will have to hire more police. When the Senate is not in session, a skeleton force is enough. When the Senate is in session, they have to have a lot more people available here for security. What is the cost of the additional Capitol Police? There is nothing in the estimate to mention all that.

Mr. President, I have seen estimates in the social welfare area where the cost exceeded the estimate by as much as 100 to 1, running into billions of dollars.

This is another example where the cost will exceed the estimate by more than 100 to 1.

Mr. President, these matters deserve further thoughtful study and in these closing moments of this session, they must be examined. This is a matter that should not be before the Senate. We should include the must legislation that must be before us and then next year we should go to work and thoughtfully consider the various aspects of this and the other matters that would properly involve the change of the rules.

Mr. President, I reserve the remainder of my time.

Mr. MATHIAS. Mr. President, before I yield to the distinguished Senator from Idaho, let me make two very brief comments on two points that were raised by the Senator from Louisiana, while they are still fresh in my mind.

In the first place, the Senator from Louisiana made a rather serious indictment against the Chair. Let me hasten to assure the incumbent it was not against him personally. But the Senator from Louisiana indicted the Chair as an institution because from time to time over the history of the Senate the Chair has shown partiality in the matter of recognition.

No Member of the Senate is more versed in the lore and tradition of the Senate than is the Senator from Louisiana. But I think he misreads this question. If he wants the Chair to be more fair then he should support Senate Resolution 66 because the Senator from Louisiana, I am sure, is very familiar with works of that great English moralist and philosopher, Dr. Samuel Johnson, who died just 200 years ago, and Dr. Samuel Johnson said: “Sir, nothing is more conducive to a good conscience than the suspicion of being watched.”

If the occupant of that chair is being watched by the whole American people, the whole 225 million of them, he is going to have good conscience in this matter.

So turn on those cameras and we will have fairness from the Chair.

Mr. President, the other point I make before I yield to the Senator from Idaho is this: The Senator from Louisiana read from the Pearson-Ribicoff report, and he read with great accuracy. He read beautifully. His elocution was perfect. The only problem was he did not read quite far enough because the last paragraph of that report which dealt with this subject of television is this:

"This would give the Senators an opportunity to present their views to the country on the issues debated and for the Senate as a whole to provide further leadership for the country without altering the fundamental and unique nature of the U.S. Senate."

So Senators Ribicoff and Pearson had something good to say about television without altering the Senate.
Mr. President, public access to Senate deliberations is an argument as old as the Senate itself. Remarkably, during its first 7 years, the Senate functioned behind closed doors. But public resentment and suspicion mounted with every passing year. The National Intelligencer, leading newspaper of the time, declared the Senate’s secrecy in an editorial written in 1792, “Up-right intentions and upright conduct,” the paper said, “are not afraid or ashamed of publicity.”

In 1794, the Senate acquiesced and added a public gallery to its Chamber in Philadelphia.

The Senate, we may note here, did not cease to be a deliberative body by becoming a public forum. This forum has contributed the most stirring and memorable addresses in our history.

The Chamber of the Senate still rings with words of the great Americans who have spoken within it:

To the efficacy and permanency of your union, a government of the whole is indispensable. What then is the Senate? We are all Republicans; we are all Federalists...—Jefferson.

The people, sir, erected this government—Webster.

The cry of Union! Union! the glorious Union!—Calhoun.

With malice toward none, with charity for all, with firmness in the right as God gives us to see the right...—Lincoln.

There must not only be a balance of power, but a community of power; not organized rivalries, but an organized common peace—Wilson.

The oratory of Washington, Jefferson, Webster, Calhoun, Lincoln, and Wilson was not given for the entertainment of the public or the Senators present. Great and eloquent words have clothed great principles and concepts of free government spoken in debate or in counsel here in the Senate.

If, Mr. President, by permitting television camera view of our proceedings, we become more conscious of our words and spoken thoughts, we may surely count Senate Resolution 68 a blessing.

We need and shun eloquence; it is our heritage. Eloquence will not serve—as some have suggested—the designs of the demagogue, nor shield the incompetent. As Emerson has pointed out, “there is no eloquence without a man behind it.” Or to put it another way, as the grace of man is in the mind, so the beauty of the mind is eloquence.

Mr. President, I have joined the distinguished majority leader, and many of my colleagues in this Chamber, in urging the adoption of this resolution for the well-being of the people we are here to serve. Today, I urge adoption of the resolution for the sake of our posterity.

Just as lifting the veil of secrecy proved in 1974 to be the inauguration of a golden age of eloquence in the Senate, I am confident that by opening the Senate to radio and television in 1984, we can raise the level of public discourse to a station befitting a great and wise people.

Would that we had the technology in 1880 to debate the “Great Compromise” debates, what a priceless resource for historians and students of government.

Today, technology exists to preserve a living record of the deliberations of this body. We have it within our power to bestow a gift on our posterity for which our colleagues in the 100th Congress and the 200th Congress will thank us.

Let us therefore admit that technology to this Chamber is not as a hostile intruder—but as a dispassionate neutral—as we were when faithful to our duty, we can—when our work is done—take our leave of this august body confident that our words and deeds will be justified in the true perspective of history.

Mr. MATHIAS. Mr. President, I thank the Senator from Idaho. He has given a great deal of attention to this subject and I know it is a subject with which he has been intimately familiar since the days when he served in his own State as a member of the legislature.

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

Mr. MATHIAS. I yield.

Mr. McClURE. I thank the Senator for yielding.

Mr. MATHIAS. I think we are still on the Senator’s time as a matter of fact.

Mr. MATHIAS. Mr. President, I note, as he did, that it was 20 years ago as I was serving in the Idaho Legislature that we went through this same debate as to whether or not we should admit television coverage to the Idaho Legislature of my State. We heard much of the same argument being made about what would happen to the character of the debate and what would happen to the nature of the body.

Mr. President, with 20 years of experience behind us those who fear the advent of the new age have been disproven; those who confidently predicted that it would elevate the public consciousness of what happened within that body have been proven right.

I hope we will follow the same example and 20 years from now we can point to that record of experience as well.

Mr. MATHIAS. Mr. President, if the Senate follows the advice the Senator from Idaho has just given, I think we will be able to come back in 20 years and see exactly that result.

Mr. McClURE. I thank the Senator from Maryland for yielding this time and for his leadership on this issue.

Mr. MATHIAS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Maryland has approximately 22 minutes remaining.

Mr. MATHIAS. I reserve the balance of my time.

Mr. McCLURE. Mr. President, how much time remains for the opponents?

The PRESIDING OFFICER. The opponents have approximately 7 minutes and 40 seconds.

Mr. LONG. How much time remains for the proponents?

The PRESIDING OFFICER. Approximately 22 minutes.

Mr. LONG. Mr. President, I suggest the proponents use some of their time, unless they want to suggest a quorum.

Mr. MATHIAS. Mr. President, I would be happy to do that. I was just deferring to the opponents. But I am happy to go forward because the Senator from Louisiana, in his long and interesting statement, raised a number of points that I think need to be touched.

Mr. LONG. Mr. President, while the Senator is discussing that, might I just suggest to the Senator—

Mr. MATHIAS. On your time.

Mr. LONG. Well, Mr. President, I am asking to do it on the Senator’s time. I think the one who has the time. We only have 7 minutes left over here. Would the Senator yield to me for that purpose?

Mr. MATHIAS. I yield to the Senator for that purpose, to comment briefly.

Mr. LONG. Let me just say to the Senator that if the Senator’s resolution required that the cameras be on the persons who are seeking recognition rather than on the one that has recognition, that might be somewhat different, or if the resolution said that the networks will operate the cameras, I would think the network put the camera on someone seeking recognition and you would have an opportunity to see whether he had been recognized or not. But under the resolution it does not require that and, therefore, I submit that the resolution does not help to solve the problem.

As a matter of fact, the resolution would have the cameras on the speaker and it would not show who is in the galleries. Now, the Senator knows what happened in the House about that matter, because it was contended for years that that was not a proper showing.

Mr. MATHIAS. I understand what the Senator is saying. I think I have considered that as a possibility. Of course, let me just observe, Mr. President, that we have really tried very hard to look at every possible aspect of this problem.

For example, after we had our debate on Senate Resolution 20 in the 97th Congress, we went back and, as
the Senator from Louisiana said, we made some very positive commitments at that time. And in the discharge of those commitments we further studied this problem and we introduced Senate Resolution 436.

As the Senator from Louisiana, who has followed this matter very closely, is well aware, Senate Resolution 436 not only reflected the feeling of the Rules Committee that there was no need to change the rules, but it provided for a period in which we would record on video tape the proceedings of the Senate; the cameras would be turned on but that signal would not be broadcast to the world so that the very kind of problems that the Senator from Louisiana has expressed concern about could be tested.

We made that as a proffer in the last Congress, as you will recall. We will have cameras up here. We will videotape the proceedings on the Senate and then the Senator from Louisiana can go look at it and see if it does not look something that we could do something else. But we were not permitted an opportunity to bring Senate Resolution 436 to a point of discussion. Now here we are again and the same kind of objections are being made at the end of the 98th Congress.

What did we do pursuant to the commitments that were made by the majority leader and myself when we disposed of Senate Resolution 207? We looked at the question of rules. And it was the serious considered judgment of the Rules Committee that there would need to be no changes in the rules.

We looked at the question of the extent of coverage. And as the Committee report reflects we concluded that the coverage would be gavel-to-gavel, except, of course, during those sessions of the Senate in which the doors were closed and the galleries were cleared for reasons of security which time the cameras would not be in operation.

We considered the kind of coverage. The coverage would be intended to provide a complete, unedited record of what is said on the floor of the Senate. The coverage is intended to be an informative documentary, not some kind of a stage performance, not a theatrical event. And this would be the one place where the proceedings of the Senate would be reflected and recorded without any editorial analysis or interpretation.

During debates, the recommended procedure was that the person actually speaking would be covered by the cameras during the debate. During colloquies, different cameras would cover the speaking Senators. I think that if the Senator reflects on that point, it answers his concern. Will someone who is not only speaking but someone who is challenging the recognition be covered? That is taken care of. And I would like the Senator to note that, that during colloquies different cameras would be used for speaking Senators.

So if the Senator from Louisiana seeks and obtains recognition and I want to say, "no, I was on my feet and asking for recognition first," the cameras will be able to handle that kind of a situation. Both speakers during a colloquy or during a challenge would be covered. So that answers the concern that has been expressed so eloquently by the Senator from Louisiana.

The cameras will not, in the language of the trade, pan the Chamber, but they will be able to focus on more than one person.

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

Mr. MATHIAS. Well, if I could just finish advising the Senate what we did in the discharge of our duty, then I will be happy to yield.

During rollcalls, recesses, and votes, we thought very hard about what should be done. It was concluded that during quorum calls and votes the cameras would cover the Presiding Officer and the official clerks, but that during recesses there was no point to continuing the coverage when there is not anyone in the chair, so at that point the cameras would be turned off.

All of this, Mr. President, is in the report that was filed by the Committee on Rules and Administration.

We thought about how will the public know? Now, everybody knows that Russell Long is Russell Long. They are not going to really have to wonder who is that speaking because they are going to know that is the distinguished Senator from Louisiana. But for those of us who are lesser mortals, not so well known, why we would provide a little tag, as is frequently done, as I believe they do in the other industry, in this case our name, our party affiliation and State that we represent so that we might also be at least recognized and responsible for what we have said.

We thought, since we are videotaping, does that alter the view of the Senate as far as still photography is concerned? We thought about that. We went that deeply into it. And the view of the Rules Committee was that the ban on taking photographs in the Chamber should remain in effect and that the videotaping would be the only exception to that particular rule.

Now, I just cite this, and I have asked the Senator from Louisiana to defer his question, just to show you that the concerns that he has raised have been considered, they have been weighed, they have been addressed, and I think they have been answered.

I believe, Mr. President, that is the situation, and the Senate in the discharge of its simple duty to the country—to provide information about what it is doing—should move forward on this resolution.

Mr. LONG. Would the Senator yield at this point, Mr. President?

Mr. MATHIAS. I yield. But let me say this further: The objections are Senators' objections. The objections are institutional objections. The arguments for moving forward are the benefits that it would bring to the people of the United States. It seems to me that on balance we have to move forward.

Yes, I yield.

Mr. LONG. The Senator made the statement that there would be more than one camera. Is it not true that only one camera will be feeding into the outlet at one time so when people sought to address the Chair, even if you did have more than one camera, you would have only one of them, and that would be picked up by the person at the switchboard to go out across the country?

Mr. MATHIAS. The Senator, I know, spent so much time on the Senate floor, so much time in committee and so much time reading committee reports and other Senate business that he may not watch television as much as the rest of us. But if he did, he would know that the television industry could do remarkable things.

You can, in fact, have on the same screen a split screen in which you would show both of us having this colloquy. If they cannot get both of us in the same camera, they will have a camera on you and a camera on me. Both of them will appear on the screen. I am not saying that is precisely how it would be done because there may be a better technical means of doing it. But I say that is technically possible, and I see it done all the time.

Mr. LONG. Does it say in that resolution that will be done?

Mr. MATHIAS. It states that the cameras and in questions of colloquy—let me read from the committee report—'‘During colloquies, different cameras will cover speaking Senators.'”

We have the ability as the audio amplification ability now in switching your microphone on and my microphone off and vice versa. They have the ability to move those cameras so that both of us are equally, equitably, and fairly covered. I know that is the bottom line of the Senator. He wants equity and fairness in this matter, I think this will provide equity and fairness. I really, honestly believe that.

Mr. LONG. Mr. President, this resolution says that there will be no commentary, and no comment. I am not quarreling with that. But if one is to assure that there will be an adequate opportunity for both sides to be recognized, it would seem to the Senator from Louisiana that there should be a language here to say that in a situa-
tion where more than one Senator is addressing the Chair, the cameras should show more than one Senator addressing the Chair even if it does require that two or three be shown on the screen simultaneously so the audience can judge for themselves whether the person addressed addressed the Chair first would be recognized.

Mr. MATHIAS. Mr. President, I think if there is a question of equity and fairness in the action of the Chair in recognizing the Senators, that is an independent problem we should deal with without respect to whether or not we are going to televise proceedings. I think if we televise proceedings it will put every presiding officer, including a Vice President of the United States, on his mark to be fair. But even if we are not televising, if the Senator from Louisiana honestly believes that the Chair is being partial and biased, then we had better do something about that whether or not we televise the proceedings.

I reserve my time.

Mr. GOLDWATER. Would the Senator yield?

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Mr. President, I yield such time as I may need.

Let me say on that issue, Mr. President, we do have a way of achieving fairness. Usually we do it by unanimous consent, and there is nothing in here about achieving unanimous-consent agreements to show that both sides will have equal opportunity to be recognized by the Chair.

Mr. GOLDWATER. Would the Senator yield?

The PRESIDING OFFICER. Who yields time?

Mr. LONG. I yield the floor at the moment.

Does the Senator want some of my time?

Mr. GOLDWATER. I am with you.

Mr. LONG. One minute.

The PRESIDING OFFICER. Does the Senator want a yield time to the Senator from Arizona?

Mr. LONG. How much time does the Senator desire?

Mr. GOLDWATER. Maybe 4 or 5 minutes.

Mr. LONG. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 6 minutes 58 seconds.

Mr. GOLDWATER. Thank you.

Mr. President, originally I was opposed to televising the Senate. Then when I learned of the various ways you can manipulate the Congressrow at Rscorn, I came out in favor of televising. But after watching what happened in the House through the efforts of the House leader, I turned against televising it because it can happen here.

Mr. President, in the debate that was just going on between my friend from Maryland and my friend from Louisiana relative to the camera. Yes, there can be a camera located somewhere that can catch an individual Member. But it is going to be an ungainly thing. It is going to be a big affair. I do not know where they are going to put it. They have the technical problem of getting the Senator from New Mexico way over in that corner, and getting the majority or minority leader right down here. That can be done. But we have some other things to consider, Mr. President. I do not think we have taken them into consideration. I see my friend from West Virginia coming in. We do not have any order in this Senate. When we have votes here, they are all gathered down there. Now are we going to educate the American people about what goes on here when you have got a mob scene going on? Do we want the American people to think that this is happening by a mob scene? I have sat in that chair and begged, and begged, and begged my colleagues to sit down and be quiet. But they will not do it. Until we pass a motion or a rule change as suggested by my friend from West Virginia, we are not going to get order. He merely suggests that we vote from our desks, which I always thought was the order when I came here. But after my cliff-hanging election back in 1864, when I came back I discovered they had changed everything. Now it is the rule by mob down here. That is not going to look good to the American people. A lot of the other things we do in this body like running up and putting our speech in the Rscorn, or saying, "Mr. President, I ask unanimous consent," after reading one line, "I ask unanimous consent that," is that the kind of education we want to give the American people? They will think this is the phoniest bunch of people they have ever seen. They might not know what it means. But we do not want them to think that.

So, Mr. President, I am in opposition to this. I do not think we are ready for it. I think we have to get this Senate back in some kind of order in the way we operate before we can talk about showing the American people how we operate. Then there is another question. Who is going to carry it? Cable News Network, one network is going to carry this. The three big networks, God bless their little no-good souls, they are not going to carry it. So we are confined to a fine system. I like Cable News Network. It is probably the best thing in the country. But it is only one. We talk about that. That is monopoly. So the first thing you know we have a lawsuit going on because Cable News is the only one that will do it.

So, Mr. President, I very reluctantly dislike opposing my leader on his last official duty. But I think as he sits down there in the hills of Tennessee and watches what he would watch on television, he would say, "My God, was I in that outfit at one time?" [Laughter.]

The PRESIDING OFFICER. The time of the Senator from Arizona has expired.

Mr. GOLDWATER. It just ran out. Thank you.

The PRESIDING OFFICER. Who yields time?

Mr. MATHIAS. Mr. President, I yield 1 minute to the distinguished Senator from Delaware.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTHS. Mr. President, as one who sponsored one of the early resolutions to open the Senate floor to TV, I congratulate the distinguished Senator from Maryland as well as our majority leader for their efforts to clarify the rules. I think it is an important reform. I listened with great care to the distinguished Senator from Arizona. There is much truth in some of the criticisms he made. However, it is my opinion that if we open the Senate to public viewing, perhaps the kind of debate we will witness on the Senate floor will be more meaningful and perhaps the decorum more along the lines of what he would hope to see.

In any event, I think television is the most important means of informing the American people, and I hope that the Senate will have the good sense to support the resolution offered by Senator Baker and others.

We are elected to represent the people of our State. I know of no reason why our service to them should not be open to the fullest observation and approval.

The issues with which we are concerned are the most vital of the day. On this floor this year we have discussed control of nuclear arms, the freedoms of our Central American neighbors, the protection of natural resources, and generally the rights of all of us to enjoy the bountiful wealth of this country.

Mr. President, every American has the right to watch us at work and to hold us accountable for how we represent them. Televising Senate debates enhances these opportunities.

There are many arguments made or implied that the quality of debate will be affected by television; that Senators will play to the grandstands and exploit the exposure for personal gain. It has been suggested that the image of the Senate will suffer because people will see how we work. I believe that all of these arguments serve only to preserve a comfortable way of doing
business. They also tend to demean or underestimate the public’s ability to judge our ability and sincerity as individuals. They imply that the average man on the street can’t recognize baloney for what it is.

In the past whenever the most important issues of the day have been given extensive scrutiny by the broadcast media there has always been a more thorough understanding or comprehension of the issue. Television covered so Vietnam and Watergate. We as a nation faced critical situations. The crises were resolved and the Nation is stronger because of the experience.

Mr. President, it is time for the Senate to order the decorum to be observed by the majority of those on this side of the American voters. The strength of this Nation and the effectiveness of its Government are dependent on an informed electorate not threatened by it.

THE PRESIDENTING OFFICER. The time of the Senate has expired.

Mr. MATHIAS. Mr. President, I thank the Senator from Delaware. I yield to the Senator from Washington.

THE PRESIDENTING OFFICER. The Senator from Washington is recognized.

Mr. GORTON. Mr. President, I thank my friend from Maryland.

It seems to me that Senators should vote in favor of this cloture motion today so that we can discuss on its merits a matter of great importance. I will, however, as others have, go beyond that to say it seems to me many of the criticisms which have been made in the past by the public would view the Senate should it see proceedings carried on as they are today would not continue if the Senate itself were televised. I believe that debate on issues would be more sharp, more to the point, and would occupy more of the time during which the Senate is in session than it does at the present time.

A career in the Senate almost 4 years ago on the side of the Senator from Louisiana, feeling that something would be lost by the Senate should its proceedings be televised. I have now changed my views on that subject. I feel that much would be gained, not just by the general public but by the Senate itself, in respect to its place in the political status of the United States of America. As a consequence, I urge a vote in favor of cloture and a vote in favor of the resolution.

I thank the Senator from Maryland. Mr. MATHIAS. I thank the Senator from Washington.

Mr. President, I yield myself 2 minutes.

THE PRESIDENTING OFFICER. The Senator from Maryland is recognized.

Mr. MATHIAS. Mr. President, the Senator from Arizona, as he always does, raises some very interesting points. He asked who will carry this signal.

C-SPAN presently feeds the television signal from the other side. Many cable service companies, and they in turn put the signal on cable that goes into millions of homes all over the country.

Now, I would add that C-SPAN coverage is growing so that every month more American households have an opportunity to watch the proceedings in television view. This is a signal as blank as far as the Senate is concerned. So that is who will carry the signal.

But in addition to that, I think the Senator has raised a point that needs to be made. As I listen to my FM radio, I often hear a voice that will be familiar to the distinguished Senator from Texas, the voice of an old friend of his, none other than the Prime Minister of Great Britain, Margaret Thatcher, because the proceedings in the British Parliament are recorded and broadcast. It is very revealing to see what goes on in the British Parliament and Mrs. Thatcher making a telling point which comes across not only to that handful of people who hear her in the House of Commons but to people all over the world who now understand better exactly the point she has been making.

All of us I think go home and watch the news, but we do not see or gavel-to-gavel proceedings of the House of Representatives. We see the interesting high points of the debate which the networks, who have benefited by the proceedings, have put on as they are going across not only to that handful of people who hear her in the House of Commons but to people all over the world who now understand better exactly the point she has been making.

As I listen to my radio, I think of the Senator from Arizona this afternoon, are broadcastizing, and that is a revealing and interesting kind of cameo that comes across.

THE PRESIDENTING OFFICER. The 2 minutes yielded by the Senator from Maryland to himself have expired.

Mr. MATHIAS. Mr. President, does the Senator from Louisiana wish to proceed at this time?

Mr. LONG. I yield my remaining time, Mr. President, to the Senator from Connecticut.

Mr. DODD. How much time remains, Mr. President?

THE PRESIDENTING OFFICER. The Senator has 2 minutes and 20 seconds.

Mr. DODD. How much time remains for the proponents?

THE PRESIDENTING OFFICER. Approximately 2 minutes 13 seconds remain on the side of the proponents.

Mr. DODD. Mr. President, I will yield until tomorrow to go into greater detail as to the reasons why I oppose the cloture motion and also the substance of the present resolution that will be coming before us.

I point out to my colleagues that these arguments are certainly interesting ones, particularly when we have heard them on numerous occasions this afternoon, in that our real interest is the public and that it is not the interests of Senators or the interests of the institution. I embrace that idea. I think our institution previously should be the public, and in serving the public interests it becomes vitally important that we preserve the unique nature of the U.S. Senate.

I take a lot of definitions of what the Senate is and what its rules are designed to do which make it different from the House of Representatives. As a Member of the House of Representatives, I supported televising proceedings in the House. The rules of the House absolutely guarantee the rights of a majority; that the rule of the majority should prevail.

The rules of the Senate are specifically designed to guarantee the rights of a minority, including a minority of one. To suggest somehow that the influence of television is not going to bring additional pressures when the rule of a minority to be protected I think is not to be cognizant of what goes on in our society—clearly the influence of a television camera. Take, for instance, the proceedings of the House of Representatives, I supported delaying the proceedings somewhat to get a better vote count, to get a better sense of what was going on. His vote was a minority view quite clearly at the time, and yet he used that vehicle and the rules which the Senate provides in order to try to protect himself and the rights of a minority which he was trying to defend.

I can imagine having the cameras covering an institution during 6 or 7 hours when nothing more than a very slow and deliberate rollcall was going on. Clearly, then, I presume the public would be saying, "Why should one person be able to tie up the entire U.S. Senate for 7 hours just because he wants to protect his amendment or a small group of people?"
The clerk will call the roll.

The PRESIDING OFFICER. The Senate that debate on the motion to close. The assistant clerk has arrived, under unanimous consent the quorum to proceed to the consideration of the report the motion to invoke cloture. The previous order the clerk will bring the resolution and about the impact television could have on discussion, adequatelyauthorize television coverage of the motion to proceed to the consideration of the trade bill and then stay on the trade bill at some other point.

Mr. DANFORTH. Mr. President, there are some noncontroversial items on the trade bill. I wonder if we could stay to do the noncontroversial items without finishing the bill.

Mr. BAKER. Mr. President, let us make an alternative suggestion if I may. As I say, cloture having been invoked it would require unanimous consent to get on the bill tonight, or in the morning for that matter. But it seems clear to me, based now on the remarks of the minority leader and, indeed, based on the remarks on this side of the aisle, Senators here having expressed a concern about going on trade tonight, that we are not going to be able to do that.

But what I would suggest is if we come in early in the morning and try to get unanimous consent, let us say, at 10:30 tomorrow, we could get on the trade bill and then stay on it until 12 o’clock or 11:30 and at 12 o’clock we would have the vote on the motion to proceed and then be back on TV in the Senate.

That would give us a good hour, hour-and-a-half, in the morning to work on the trade bill if we could get unanimous consent to do that. We would have to do one other thing, though that I would hope we would be able to do if we are going to come in early tomorrow. I have a standing request of the distinguished chairman of the Judiciary Committee to come in at 11 tomorrow. I would hope we could get unanimous consent that the Judiciary Committee could meet until 1 o’clock, notwithstanding that we come in at 9:30 in the morning.

Mr. BYRD. Madam President, I think that the majority leader’s proposal is the better one at this point. I do not know what people will be saying and thinking in the morning, but I think if we could very well agree to going back to the trade measure tomorrow morning, I do not think we could do that tonight.
Mr. BAKER. I yield to the Senator from Missouri.

Mr. DANFORTH. Madam President, I am happy to take anything I can get on the trade bill. I would observe that sometimes early in the day it is difficult to get Senators to show up on the floor to offer amendments and I think that time is of the essence. As I understand the desire of the majority leader in working out the scheduling of the Senate, he does not intend to stay on the trade bill for an indefinite period of time. So I hope we can wrap up the bill at an early time so that Senators will be available to offer amendments at 10:30 provided we can get unanimous consent.

ORDER FOR WEDNESDAY

VOTE ON MOTION TO PROCEED AT 12 NOON

Mr. BAKER. Madam President, under these circumstances, then, let me make one request at this point. I ask unanimous consent that the vote on the motion to proceed occur at 12 noon on tomorrow.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

REQUEST FOR JUDICIARY COMMITTEE TO MEET UNTIL 1 P.M.

Mr. BAKER. Madam President, I ask unanimous consent that on tomorrow, regardless of the hour at which the Senate may convene, the Judiciary Committee be permitted to meet until the hour of 1 p.m.

Mr. BIDEN. Would the majority leader repeat that request?

Mr. BAKER. Yes, Madam President, the request was that the Judiciary Committee be permitted to meet until the hour of 1 p.m. The reason for that is I have a request to convene the Senate tomorrow at 11 o'clock. I am trying to move that time back so we can do the trade bill. I would like to work from 10 o'clock on. In order to do that, I have to make that additional unanimous-consent request.

Mr. KENNEDY. I object.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Madam 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.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Madam President, let me say that it is still the intention of the leadership to seek consent to go to the trade bill tomorrow, because the leadership now feels that we should try to finish the trade bill. It is clear we cannot do that tonight and we cannot do it in the morning, but we will continue to make an effort to find the time to get back on the trade bill tomorrow.

Just for the information of Senators, the schedule for the rest of this week looks like TV in the Senate, the trade bill, and the highway bill. Those are the two items that will be the ones that will command our attention for the balance of this week. I would urge Senators to consider that it will be a full week and we will be in on Saturday. I do not expect us to be in on Saturday, but I would warn Senators that after this weekend there is a high likelihood that we will be in session on weekends, at least on Saturday, trying to finish the must legislation, including the CR and the budget resolution.

ROUTINE MORNING BUSINESS

Mr. BAKER. Madam President, I expect now it would be in order to make this request. I ask unanimous consent that there now be a period for the transaction of routine morning business until the hour of 7 p.m. in which Senators may speak for not more than 2 minutes each.

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

Mr. BAKER. Madam President, there will be no more votes tonight.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(Mr. Berry, one of the reading clerks, announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 1162. An act to provide authorization of appropriations for title III of the Marine Protection, Research, and Sanctuaries Act of 1972, and for other purposes.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4567. An act to reauthorize and amend the Indian Health Care Improvement Act, and for other purposes.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 5644. An act to provide greater discretion to the Supreme Court in selecting the cases it will review; to the Committee on the Judiciary.

MEASURE PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 4567. An act to reauthorize and amend the Indian Health Care Improvement Act, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ANDREWS, from the Select Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 1151: A bill to compensate heirs of deceased Indians for improper payments from trust estates to States or political subdivisions thereof as reimbursements for old age assistance received during their lifetime (Rept. No. 98-606).

By Mr. ANDREWS, from the Select Committee on Indian Affairs, with amendments:

S. 2490: A bill to declare that the mineral rights in certain lands acquired by the
EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry:

S. 2663: A bill pertaining to the inheritance of trust or restricted land on the Lake Traverse Reservation, in North Dakota and South Dakota, and for other purposes (Rept. No. 98-907).

S. 2502: A bill to provide for the use and distribution of certain funds awarded the Wyandotte Tribe (Rept. No. 98-909).

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment in the nature of a substitute and an amendment to the title:

S. 2256: A bill to establish a restaurant central kitchen from Federal inspection requirements (Rept. No. 98-610).

S. 2773: A bill to designate certain National Forest System lands in the State of Georgia to the National Wilderness Preservation System, and for other purposes (Rept. No. 98-611).

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment in the nature of a substitute:

S. 2806: A bill to designate certain public lands in Virginia as additions to the National Wilderness Preservation System (Rept. No. 98-612).

S. 2808: A bill to designate certain National Forest System lands in the State of Mississippi as wilderness, and for other purposes (Rept. No. 98-613).

H.R. 3788: A bill to designate various areas as components of the National Wilderness Preservation System in the national forests in the State of Texas (Rept. No. 98-614).

H.R. 402: A bill to designate certain lands in the Cherokee National Forest, Tennessee, as wilderness areas, and to allow management of these areas through a cost-benefit analysis of judgments awarded to the Saginaw Chippewa Tribe of Michigan in dockets numbered 69 and 13c before the Indian Claims Commission and docket numbered 13f before the U.S. Claims Court, and for other purposes (Rept. No. 98-608).

S. 2526: A bill to designate certain ranchers on the Bighorn Basin Budget Act (Rept. No. 98-599).
supplies and services which are not now available in sufficient quantities in Poland and which Poles do not have sufficient hard currency to import from abroad. The program would not supplant current Polish Government domestic or foreign expenditures on agriculture.

The private foundation will be established and controlled by the Polish church. The Polish Government will not be represented on any of the foundation's governing bodies. A counterpart foundation is to be set up in Brussels to coordinate Western assistance and purchase equipment and supplies for shipment to the foundation in Poland. No hard currency will enter the Polish foundation. The Polish church. The Polish Government will not be represented on any of the foundation's governing bodies. A counterpart foundation is to be set up in Brussels to coordinate Western assistance and purchase equipment and supplies for shipment to the foundation in Poland. No hard currency will enter the Polish foundation. The Polish church.

The Polish church, the Polish Government to function in Poland and which Poles do not have available in sufficient quantities in Poland and which Poles lack sufficient hard currency to import from abroad. This aid, should underscore, would not supplant current Polish Government domestic or foreign expenditures on agriculture. Instead, the assistance will be administered by the church's own foundation.

The Polish church, the Polish Government to function in Poland and which Poles do not have available in sufficient quantities in Poland and which Poles lack sufficient hard currency to import from abroad. This aid, should underscore, would not supplant current Polish Government domestic or foreign expenditures on agriculture. Instead, the assistance will be administered by the church's own foundation.

The church has infused strength in the Solidarity union movement which has so nobly manifested the struggle of the Polish people to be free.

The second underlying Polish reality is that, notwithstanding the imposition of a Communist regime in Warsaw, agricultural life in Poland continues to be dominated by family farms. Indeed, Poland is the only country in Eastern Europe where farms remain largely—75 percent—in private hands. Polish church and its foundation unti sold; third, the church will be created to coordinate Western assistance and to purchase equipment and supplies for shipment to the foundation in Poland.

The church's role on the basis of its own national interests to seize that opportunity. Mr. PELL. Mr. President, despite the tragedy of Soviet-backed Communist repression in Poland, two underlying realities offer hope for the Polish future. First—and primary—is the continuing religious faith of the Polish people. Communist tyranny has been undermined, on our part, to support this bill. It represents American foreign aid in an ideal-devised to operate in concert with other Western aid, targeted to serve a worthy humanitarian purpose, and well calculated to further the American interest in sustaining the aspirations for freedom of a struggling and valiant people.

Mr. President, I urge my colleagues to support this bill. It represents American foreign aid in an ideal-designed to operate in concert with other Western aid, targeted to serve a worthy humanitarian purpose, and well calculated to further the American interest in sustaining the aspirations for freedom of a struggling and valiant people.

By Mr. DOMENICI:

S. 3001. A bill permitting American prisoners of war held by the Japanese after the Bataan death march to sue in the U.S. Court of Claims; to the Committee on the Judiciary.

DEATH MARCH SURVIVORS CLAIMS LEGISLATION

Mr. DOMENICI. Mr. President, I am pleased and honored to have this opportunity to introduce legislation on behalf of those surviving American veterans held by the Japanese as prisoners-of-war following the Bataan death march.

All of us, I'm certain, are all too familiar with the accounts of this infamous 60-mile march in which approximately 1,000 American servicemen lost their lives. However, the accounts of the labor camps which proceeded this episode were just as terrible. Of the nearly 9,000 Americans who managed to survive the death march, more than half of them perished in Japanese camps where they were either starved or worked to death in the interest of Japanese companies who profited from slave labor.

The legislation I am sponsoring will allow the few remaining survivors of these labor camps to petition the claims court to determine whether or not reparations is due them by the Japanese companies in question. I do not believe these brave men who were treated so unjustly and so inhumanly should be denied this basic right.

By Mr. JEPSEN:

S. 3002. A bill to require the Secretary of Agriculture under certain con-
farmers would be required to pay back any Federal assistance at some future time. The specific mechanics of this program (qualifications, loan limits, payback provisions, etc.) will be determined by the Secretary of Agriculture. As an example, in March a farmer goes to his banker to secure a $100,000 operating loan. The market interest rate applicable to that loan on that day is 14 percent. As a result, the farmer could expect to pay interest charges amounting to $14,000 a year. The effect of Iowa Plan II would have the government “buy-down” that interest rate from 14 percent to 10 percent thus reducing the farmer’s annual interest payments from $14,000 to $10,000, improving the farm’s cash-flow position by $4,000. As virtually all operating loans are variable interest rate loans, this 10 percent rate will be allowed to increase but the original 4 percentage point differential would be maintained. (If interest rates go up from 14 percent to 14 1/2 percent, the 10 percent rate will go up to 10 1/2 percent.) If interest rates decline, however, the 10 percent rate will not be reduced proportionately. Should commercial rates vitally decline to a 10 percent level, the government assistance will, of course, be terminated.

By Mr. THURMOND (for himself, Mr. BIDEN, and Mr. LAXALT) (by request):
S. 3005. A bill to strengthen and improve the operations of the U.S. Bureau of Prisons; to the Committee on the Judiciary.

CORRECTIONAL IMPROVEMENTS ACT

Mr. THURMOND. Mr. President, I am introducing today, at the request of the Administration, the Correctional Improvements Act of 1984. The Ranking Minority Member of the Committee on the Judiciary, Senator JOSEPH R. BIDEN, Jr., and the Chairman of the Subcommittee on Criminal Law of the Judiciary Committee, Senator PAUL LAXALT, join me as original cosponsors of this legislation.

Most of the proposals in this measure have been developed in the context of the criminal code reform legislation or the comprehensive omnibus crime bills considered by the Senate in the 97th Congress and in this Congress, the purpose of presenting to the Congress a separate initiative limited to those problem areas unique to the Federal correctional system.

I ask unanimous consent that the bill be printed in the Record, along with the letter of submission from the Department of Justice and the section-by-section analysis, at the conclusion of my remarks.

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

S. 3003

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 “Correctional Improvements Act of 1984.”

Sec. 2. Section 751 (a) of 18 United States Code is amended by inserting “is the result
of a finding of contempt pursuant to section 1983 of title 42, United States Code, after "extradition or" and before "or by".

Sec. 3. Providing or possessing contraband in prison, summary seizure of same.
(a) Section 791 of title 18, United States Code is amended to read as follows:

"1791. Providing or possessing contraband in prison.

"(a) If a person commits an offense if, in violation of a statute, or a regulation, rule, or order issued pursuant there-

"(1) he provides, or attempts to provide, to an inmate of a Federal penal or correctional facility—

"(A) an firearm or destructive device;

"(B) any other weapon or object that may be used as a weapon or as a means of facil-

"(c) a narcotic drug as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802);

"(D) a controlled substance, other than a narcotic drug, as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802), or an alcoholic beverage;

"(E) United States currency; or

"(F) any other object; or

"(2) being an inmate of a Federal penal or correctional facility, he makes, possesses, procures, or otherwise provides himself with, or attempts to make, possess, procure, or otherwise provide himself with, anything described in paragraph (1).

"(b) GRADING.—An offense described in this section is punishable by—

"(1) imprisonment for not more than ten years, a fine of not more than $25,000, or both, if the object is anything set forth in paragraph (1)(A);

"(2) imprisonment for not more than five years, a fine of not more than $10,000, or both, if the object is anything set forth in paragraph (1)(B) or (1)(C);

"(3) imprisonment for not more than one year, a fine of not more than $5,000, or both, if the object is anything set forth in paragraph (1)(D) or (1)(E); and

"(4) imprisonment for not more than six months, a fine of not more than $1,000, or both, if the object is any other object.

"(c) DEFINITIONS.—As used in this section, 'firearm' and 'destructive device' have the meanings prescribed respectively, in 18 U.S.C. 921(a) (3) and (4).

Sec. 4. TRESPASS ON BUREAU OF PRISONS RESER-

"VATIONS AND LAND.

(a) Chapter 87 of title 18, United States Code, is amended by inserting after section 1792 the following new section:

"1793. Trespass on Bureau of Prisons Reservations and

"Whoever willfully and knowingly, without lawful authority or permission or in viola-

"tion of lawful regulation of the Attorney General, enters upon a reservation, land, or a facility of the Bureau of Prisons shall be

"or imprisoned not more than $500 or imprisoned not more than six months or both.

(b) The Attorney General may, by Chapter 87, of title 18, United States Code is amended by adding after the item relating to section 1792 a new item to read as follows:

"§ 1793. Trespass on Bureau of Prisons Reservations and

SEC. 5. ARREST AUTHORITY.

The first sentence of chapter 203, section 3050 of title 18, United States Code, is amended to read as follows:

"An officer of the Bureau of Prisons of the Department of Justice may

"execute a warrant for the arrest of a parolee;

"make arrests on or off of Bureau of Prisons property without warrant for viola-

"tions of the following provisions regardless of where the violation may occur; sections 111 (assaulting officers), 751 (escape), and 752 (assisting escape) of title 18, United States Code;

"make arrests on Bureau of Prisons premises or reservation land of a penal or correctional facility without warrant for violations occurring thereon of the following provision: sections 1661 (malicious destruction of property), 1369 (facilities or property), 1791 (contraband), 1792 (mutiny and riot), and 1793 (trespass) of title 18, United States Code.

"arrest without warrant for any other offense described in Titles 18 or 21 of the United States Code, if committed on the premises or reservation of a penal or correctional facility of the Bureau of Prisons if necessary to safeguard security, good order, or government property, and if he has rea-

"son to believe that the arrested person is guilty of such offense, and if there is

"arrest suitably obtained for his arrest.

SEC. 6. CONTRACTING WITH PRIVATE ORGANIZA-

"TIONS.

Chapter 301, Section 4002 of title 18, United States Code, is amended by inserting after "or with private organizations or entities," after "or political subdivision thereof," and before "for the imprisonment".

SEC. 7. DISCHARGE PAYMENTS.

Paragraph 215, Section 4281 of title 18, United States Code, shall be amended by deleting "$100" and inserting in lieu thereof "$500".

SEC. 8. AUTHORITY TO EXCHANGE INMATES WITH STATES.

Paragraph (a), Chapter 401, Section 5003 of title 18, United States Code, is amended to read as follows:

(a) The Director of the Bureau of Prisons, or with proper officials of a State, or Territory, or the Indian Tribes, for the custody, care, subsistence, education, treatment, and training of persons convicted of criminal offenses in the courts of such State or Territory: Provided, That any such contract shall provide:

"(1) for reimbursing the United States in full for all costs or other expenses involved;

"(2) for receiving in exchange persons convic-

"ted of criminal offenses in the courts of the United States, to serve their sentence in appropriate institutions or facilities of the State or Territory by designation as provid-

"in Section 4082(b) of this Title, this ex-

"change to be made according to formulas or conditions which may be negotiated in the contract;

"(3) for compensating the United States by means of a combination of monetary payments and of convic-

"ted of criminal offenses in the courts of the United States, according to formulas or con-

"tracts which may be negotiated in the contract.

SEC. 9. DONATIONS ON BEHALF OF THE BUREAU OF PRISONS.

(a) Chapter 309 of title 18, United States Code, is amended by inserting after section 4042 the following new sections:

"§ 4043. Donations on behalf of the Bureau of Prisons.

"The Attorney General may accept in the name of the Department of Justice any form of devise, bequest, gift or donation where the donor intends to donate property for use by the Bureau of Prisons or Federal Prison Industries, Inc. The Attorney General may take all appropriate steps to secure possession of such property and may sell, assign, transfer, or convey such property other than money.

"§ 4044. Accepting Volunteer Services.

"(a) Notwithstanding section 1342 of Title 42 United States Code, a person may perform voluntary service for the United States if the service

"(1) is to be uncompensated; and

"(2) will not be used to displace any employee.

"(b) Any person who provides voluntary service under subsection (a) of this section shall not be considered a Federal employee for any purpose other than for purposes of chapter 61 of this title relating to compensation for injury and section 2671 through 2680 of title 28 relating to tort claims.

"§ 4045. Authority to Conduct Autopsies.

"A chief executive officer of a federal penal or correctional facility may, pursuant to rules and regulations of the Director, order an autopsy and related scientific or medical tests to be performed on the body of a deceased inmate of the facility in the event of homicide, suicide, fatal illness or accident, or unexplained death when it is determined that such autopsy or test is nec-

ecessary to detect a crime, maintain discipline, protect the health or safety of other in-

mates, remedy official misconduct, or determine the cause of death of employees from civil liability arising from the adminis-

tration of the facility. To the extent consist-
ent with the needs of the autopsy or of specific scientific or medical tests, provisions of local law regarding limitations on the use of medical personnel and equipment, and with respect to such autopsies shall be observed. Such officer may also order an autopsy or other post-mortem examination of any deceased inmate, including removal of tissue for transplanting, to be performed on the body of a deceased inmate of the facility, with the written consent of a person authorized to do so by law, and with an autopsy or post-mortem operation under the laws of the State in which the facility is located. Such operation is strongly recommended.

(b) The sectional analysis of chapter 308 of title 18, United States Code is amended by adding after the item relating to 4042 the following new items:

"4043. Donations on Behalf of the Bureau of Prisons.
"4044. Accepting Voluntary Services.
"4045. Authority to Conduct Autopsies."

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AND INTER-GOVERNMENTAL AFFAIRS,

The VICE PRESIDENT,
U.S. Senate,
Washington, D.C.

Dear Mr. VICE PRESIDENT: Enclosed for your consideration and appropriate reference is a legislative proposal entitled the "Correctional Improvements Act of 1984," which would amend title 18, United States Code, to strengthen and make more efficient the operations of the Federal Bureau of Prisons (BOP).

Today, the BOP operates an integrated system of 43 institutions ranging from minimum security camps to maximum security penitentiaries. This system includes custody and programs based on the individual needs of offenders.

The primary responsibility of the BOP is to humanely incarcerate individuals who have committed Federal offenses, while trying to strike a balance which recognizes that retribution, deterrence, incapacitation and rehabilitation are all valid reasons for incarceration.

Within these limits which resources allow, the BOP is constantly developing as a professional, effective service. However, from an operational and management perspective, there are a few problem areas which continually disrupt the operations and/or create needless friction in the system. The enclosed analysis is directed at these problem areas.

While most of these recommendations have been previously endorsed in the context of other federal code reform legislation of the past or the present Administration omnibus crime bill, the legislative proposal submitted herewith represents a comprehensive separate initiative directed at rectifying those problem areas unique to the Federal Prison System.

Attached is a copy of the draft bill with a section-by-section analysis. Your prompt and favorable consideration of this legislative proposal is strongly recommended.

The Office of Management and Budget has advised this Department that there is no objection to the submission of this draft bill to the Senate Finance Committee with regard to bicameral consistency.

Sincerely,

ROBERT A. McCONNELL,
Assistant Attorney General.

Enclosures.

SECTIONAL ANALYSIS

Section 2—Escape From Civil Contempt: The purpose of this amendment is to broaden the definition of escape to include persons in custody as a result of findings of contempt under Section 28 U.S.C. 1826 in addition to those already covered under 18 U.S.C. 4041. A similar provision was passed by the Senate in S. 1783 Title X, part L Section 10100.

Section 3—Possession or Providing Contraband in Prison; Summary Seizure of Same:

Section 3(a) amends 18 USC 1971 to establish the offense of possession of contraband in prison and does away with the previous provision requiring manufacture or production, so that an inmate's attempt to make, procure, or possess contraband will constitute the offense. It also incorporates from 18 USC 1971 the possession or conveying of weapons in prison. The absolute sentence of 10 years imprisonment is eliminated and a graduated scale established.

Section 3(b) amends 18 USC 1972 to deal only with the instigation of a mutiny or riot at a Federal penal or correctional facility and provides for a sentence of up to 10 years or a $25,000 fine or both. The provisions about conveying weapons is eliminated because it is now covered in subsection (a) amendment to 18 USC 1971.

Section 3(c) amends the sectional analysis to include this provision.

Section 3(d) creates a new code section to be found at 18 USC 4012 which clearly authorizes the forfeiture and seizure of contraband items found in the possession of prisoners.

Section 4—Trespass on Bureau of Prisons Reservation:

Current law is a provision to prosecute those who trespass on Bureau of Prisons property, and provides for a sentence of from 18 USC 1861. This provision would allow for arrest, prosecution and punishment of those who willfully and knowingly trespass and threaten the orderly operation of Bureau of Prisons facilities.

Section 5—Arrest Authority:

The proposed version changes 18 USC § 4050 will give Federal Bureau of Prisons' employees the authority to arrest off of Bureau of Prisons property only in cases where an officer is assaulted, and where there is an escape or someone assists in an escape. This would authorize any officer transporting an inmate in a vehicle if that inmate is involved in an assault or escape occurring in his presence.

The balance of the arrest authority is confined to Federal Bureau of Prisons property for offenses such as damage to property, trespass, contraband and disruptive type violations. All such violations require arrest authority and service of process. The object of this amendment in the past due to jurisdictional questions arising on the federal reservation properties between local law enforcement and the Federal Bureau of Investigation.

This granting of a limited arrest authority when necessary to protect security or government property or to assure the orderly operation of Bureau facilities will avoid any future problems occasioned by the unavailability of this authority.

Section 6—Contracting with Private Organizations:

The Bureau of Prisons has broad authority under 18 U.S.C. 4042 to designate any suitable facility for service of sentence, including private facilities (e.g., privately run community correctional treatment or concurrent service of sentence. This amendment expands contracting authority to the same extent. While we believe current law authorizes this, it is desirable to remove any doubt by clarifying legislation. Private contracting is an important option for an expanding prison population and special needs of offenders.

Section 7—Discharge Payments:

The present gratuity carries a maximum of $100. While a gratuity even approaching $1,000 would be rare, it is desirable for staff to have this discretion to make higher awards for deserving inmates with special needs.

The dollar amount was last amended in 1962. Five hundred dollars was the amount in the Department's Revised Criminal Code, in the version which passed the Senate.

Section 8—Authority to Exchange Inmates with States:

The current law requires reimbursement of the United States in full for all costs and expenses of boarded state prisoners, and precludes such flexible arrangements as prisoner exchanges, which this proposal would allow.

Section 9—Donations on Behalf of the Bureau of Prisons:

From time to time, federal institutions receive offers of property donations from non-government sources. In the past the Bureau of Prisons has had requests from institutions to authorize the acceptance of property. Such items as pianos, clothing, library books, automobiles for inmate vocational training, and other similar items are acceptable.

Currently, there is no authority to accept donated property. There is a Comptroller General's decision (56 C.G. 266, October 2, 1956) which states that: "It is well established that in the absence of specific legislation, there is no authority for an official of the government to accept on behalf of the United States voluntary donations or contributions to augment governmental expenditures."

The Attorney General is authorized by 31 U.S.C. § 725-4 to accept gifts or bequests of money for credit to the "Commissary funds Federal Prisons," but this does not cover items of property. This proposed 18 U.S.C. § 4043 would authorize the Attorney General to accept gifts on behalf of the Bureau of Prisons, and to utilize these gifts as deemed best.

Accepting Voluntary Services:

Under present law, the Bureau of Prisons lacks authority to accept voluntary and uncompensated services (31 U.S.C. 666(b)). The Attorney General is authorized by statute to "request offers of services from state and local authorities who are willing to provide education, training, counseling and other services to federal prisoners on a voluntary basis. Under proposed § 4044, the Bureau could improve correctional programs, with considerable savings, if specifically enabled to accept such services.

Authority to Conduct Autopsies:

Federal authority in this area, as provided by proposed § 4045, would fill a void where ever an incarcerated person dies under circumstances which warrant autopsy. Generally, the laws of the states where Federal facilities are located provide by statute for autopsies without consent of next of kin where circumstances of death warrant the examination. Although local authorities generally are cooperative and will conduct autopsies, local laws are not in fact applicable to exclusive Federal reservations. We have encountered difficulty in obtaining autopsies where they were needed in some instances.

By Mr. Huddleston (for himself and Mr. Pond):
S. 3005. A bill to designate the Federal Building and United States Courthouse in Ashland, Kentucky, as the "Carl D. Perkins Federal Building and
United States Courthouse”; to the Committee on Environment and Public Works.

CARL D. PERKINS FEDERAL BUILDING AND U.S. COURTHOUSE

Mr. HUDDELLSTON. Mr. President, I am today, along with my distinguished colleagues, introducing legislation to designate the new Federal building and U.S. courthouse in Ashland, KY, as the “Carl D. Perkins Federal Building and United States Courthouse.” The House today unanimously passed identical legislation.

Mr. President, no monument, no structure, no temporal symbol can adequately reflect the love and respect all of us shared for Carl Perkins. The truest monument to his life and work will be the manner in which he shaped the direction of our Nation. One measure of the moral fiber of a nation is the manner in which it treats its least fortunate citizens. By this measure, Carl Perkins was our Nation’s conscience.

Yet as he molded the legislation of the war on poverty, as he shepherded into law the education, nutrition, and economic programs that have become an integral part of our social fabric, he always remained the U.S. Representative from the Seventh District of Kentucky.

While he worked on writing laws that would make dramatic changes in our American society, he returned home every week to Knott County. He was never too busy to talk to a constituent and to offer a personal helping hand. No problem in the Seventh Congressional District of Kentucky was too small to warrant his personal attention.

Carl Perkins always viewed the world and the Nation from the vantage point of his mountain home, knowing that most intimate way that the problems of his constituents were the problems of the Nation.

Memorials have been erected in Washington to lesser men than Carl Perkins. But if there is to be a memorial at all, beyond his mark on our society, Carl Perkins would have wanted it to be in eastern Kentucky.

Thus, I urge the Environment and Public Works Committee to adopt this legislation at the earliest possible date.

Mr. FORD. Mr. President, I rise in support of a bill my distinguished colleague, Senator WALTER (D IN) HUMBLE, and I are introducing today in honor of the late Carl D. Perkins, who represented Kentucky’s Seventh Congressional District in the U.S. House of Representatives for nearly 36 years before his death August 3, 1984.

H.R. 6255, which passed the House by unanimous consent this morning, would designate the Federal building and U.S. courthouse in Ashland, KY, as the “Carl D. Perkins Federal Build-

ing and United States Courthouse.” Our bill is identical to that.

I cannot stress how appropriate this gesture would be. Carl Perkins represented the mountain hollows, the towns and cities like Ashland with a devotion and affection of near-legendary proportions. He loved his people, and never stopped fighting for them.

Those of us who had the privilege of serving with Congressman Perkins know of his unyielding dedication to improving the quality of life, both in Appalachia and around the Nation.

Children across America have been able to rise above the poverty and deprivation of their surroundings through some of the educational programs which he fought long and hard for, particularly vocational training.

As a member, and later chairman, of the House Education and Labor Committee, Representative Perkins was a key force behind the Elementary and Secondary Education Act of 1965, which created remedial help for disadvantaged children and provided aid for school libraries.

He was also one of the fathers of the Appalachian Regional Commission, which has helped some of the poorest sections of eastern Kentucky and other States obtain badly needed hospitals and clinics.

But Carl Perkins never forgot where he came from. He went home often, sometimes traveling the backroads of his district, chatting with—and listening to—his constituents.

Such commitment is not easily forgotten. And recognition of Carl Perkins, through passage of this bill, would be a fitting tribute to his strength and character.

I urge the Committee on Environment and Public Works to take immediate action on this legislation.

Mr. KENNEDY. Mr. President, it is an honor for me to join in supporting this richly deserved tribute to Carl Perkins.

No one who knew Carl Perkins will ever forget him. He was a giant of the Kentucky earth, and all of us in Congress who respected his genius and valued his friendship will miss him dearly. He was especially close to both my brothers, and his loss was deeply mourned by all the members of my family.

Carl Perkins had a unique ability to touch the conscience of Congress and the country. His legacy of excellence will endure so long as Americans anywhere carry on his lifelong struggle against the ancient evils of poverty, ignorance, and disease. And this legislation will, in some small measure, create a lasting monument to his memory and a reminder of his good works to the generations yet to come.
At the request of Mr. Bradley, the name of the Senator from Hawaii [Mr. Inouye] was added as a co-sponsor of S. 2456, a bill to establish a commission to study the 1932-33 famine caused by the Soviet Government in Ukraine.

At the request of Mr. Kasten, the name of the Senator from Indiana [Mr. Quayle], the Senator from Illinois [Mr. Percy], the Senator from Michigan [Mr. Levin], and the Senator from Illinois [Mr. Dixon] were added as co-sponsors of S. 2781, a bill to provide for coordinated management and rehabilitation of the Great Lakes, and for other purposes.

At the request of Mr. Stevens, the name of the Senator from Minnesota [Mr. Durenberger] was added as a co-sponsor of S. 2821, a bill to amend title 5, United States Code, to improve provisions for former Government officers and employees under the Civil Service retirement system and the Federal Employees Health Benefits Program, and for other purposes.

At the request of Mr. Melcher, the name of the Senator from Pennsylvania [Mr. Specter] was added as a co-sponsor of S. 2984, 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.

At the request of Mr. D'Amato, the names of the Senators from Montana [Mr. Melcher], the Senator from Arizona [Mr. Goldwater], the Senator from Illinois [Mr. Dixon], the Senator from Mississippi [Mr. Cochran], the Senator from Indiana [Mr. Lugar], and the Senator from Virginia [Mr. Boschwitz] were added as co-sponsors of S. 2946, a bill to require the Secretary of Health and Human Services to coordinate and support research concerning Alzheimer's disease and related disorders, and for other purposes.

At the request of Mr. Bradley, the name of the Senator from Maine [Mr. Coburn] was added as a co-sponsor of S. 2959, a bill to reauthorize the Superfund and for other purposes.

At the request of Mr. D'Amato, the name of the Senator from Michigan [Mr. Ryun] was added as a co-sponsor of S. 2982, a bill to correct imbalances in certain States in the Federal tax to Federal benefit ratio by reallocating the distribution of Federal spending.

At the request of Mr. Moynihan, the name of the Senator from Florida [Mr. Chiles] was added as a co-sponsor of S. 2995, a bill to amend the Tax Reform Act of 1984 to provide a transitional rule for the tax treatment of certain air travel benefits provided to employees.

At the request of Mr. Thurmond, the name of the Senator from Nebraska [Mr. Exon] was added as a co-sponsor of Senate Joint Resolution 5, a joint resolution proposing an amendment to the Constitution relating to Federal budget procedures.

At the request of Mr. D'Amato, his name was added as a co-sponsor of Senate Joint Resolution 277, a joint resolution to authorize the erection of a memorial on public grounds in the District of Columbia, or its environs, in honor and commemoration of members of the Armed Forces of the United States and the allied forces who served in the Korean war.

At the request of Mr. Thurmond, the name of the Senator from Michigan [Mr. Levin] was added as a co-sponsor of Senate Joint Resolution 351, a joint resolution designating the week beginning February 17, 1985, as a time to recognize volunteers who give their time to become Big Brothers and Big Sisters to youth in need of adult companionship.

At the request of Mr. Sasser, the name of the Senator from Illinois [Mr. Dixon] was added as a co-sponsor of Senate Joint Resolution 352, a joint resolution designating October 1984 as "National Head Injury Awareness Month."

At the request of Mr. D'Amato, the name of the Senator from Massachusetts [Mr. Tsongas] was added as a co-sponsor of Senate Concurrent Resolution 101, a concurrent resolution to commemorate the Ukrainian famine of 1933.

At the request of Mr. Hawes, the name of the Senator from Ohio [Mr. Glenn] was added as a co-sponsor 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 services for child victims of sexual assault with protection and assistance during administrative and judicial proceedings.

SENATE CONCURRENT RESOLUTION 129
At the request of Mr. Boren, the name of the Senator from New Jersey (Mr. Bradley) was added as a cosponsor of Senate Concurrent Resolution 138, a concurrent resolution condemning South Africa's arrests and detentions of political opponents.

SENATE RESOLUTION 129
At the request of Mr. Zorinsky, the name of the Senator from Oregon (Mr. Hatfield) was added as a cosponsor of Senate Resolution 138, a resolution disapproving the recommendation of the Study Group on Senate Practices and Procedures to abolish the Senate Committee on Veterans' Affairs.

SENATE RESOLUTION 410
At the request of Mr. Boren, his name was added as a cosponsor of Senate Resolution 440, a resolution to designate the week of October 14, 1984, through October 20, 1984, as "National Honey Week.'

SENATE RESOLUTION 431
At the request of Mr. Duren, the name of the Senator from Arizona (Mr. DeConcini) was added as a cosponsor of Senate Resolution 431, a resolution relating to Canadian pork imports.

SENATE RESOLUTION 435
At the request of Mr. Pell, the names of the Senator from Maine (Mr. Mitchell), the Senator from Maine (Mr. Cohen), the Senator from Maryland (Mr. Sarbanes), the Senator from Minnesota (Mr. Durenberg), the Senator from Minnesota (Mr. Boschwitz), the Senator from Alabama (Mr. Humphrey), the Senator from Indiana (Mr. Quayle), the Senator from Kentucky (Mr. Ford), the Senator from Massachusetts (Mr. Kennedy), the Senator from Iowa (Mr. Jepsen), the Senator from New Mexico (Mr. Bundtjen), the Senator from New Hampshire (Mr. Humphrey), the Senator from Mississippi (Mr. Stennis), the Senator from Pennsylvania (Mr. Heinz), the Senator from South Carolina (Mr. Thurmond), the Senator from Tennessee (Mr. Sasser), the Senator from Utah (Mr. Hatch), and the Senator from Virginia (Mr. Cranston) were added as cosponsors of Senate Resolution 436, a resolution to commemorate the 100th anniversary of the Naval War College in Newport, R.I.

SENATE RESOLUTION 440
At the request of Mr. Boren, the names of the Senator from Louisiana (Mr. Lowey), and the Senator from North Dakota (Mr. Andrews) were added as cosponsors of Senate Resolution 440, a resolution to express the sense of the Senate that the President should immediately notify the Soviet Union that additional purchases of U.S. grain, above the maximum level specified in the Long-Term Grain Agreement, may be made by the Soviet Union during the second year of the agreement and to seek to modify the agreement by establishing higher minimum and maximum supply guarantees.

SENATE CONCURRENT RESOLUTION 144—AUTHORIZING USE OF THE CAPITOL ROTUNDA IN CONNECTION WITH THE CEREMONIES OF INAUGURATION
Mr. Mathias submitted the following concurrent resolution, which was referred to the Committee on Rules and Administration:

S. CON. RES. 144
Resolved by the Senate (the House of Representatives concurring) That the rotunda of the United States Capitol is hereby authorized to be used on January 21, 1985, by the Joint Congressional Committee on Inaugural Ceremonies in connection with the proceedings and ceremonies conducted for the inauguration of the President-elect and the Vice President-elect of the United States. Such Committee is authorized to utilize appropriate equipment and the services of proper personnel, of departments and agencies of the Federal Government, under arrangements between such Committee and the heads of such departments and agencies, in connection with such proceedings and ceremonies.

SENATE RESOLUTION 445—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT
Mr. Helms, from the Committee on Agriculture, Nutrition, and Forestry, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 445
Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of H.R. 5221, an Act to extend through September 30, 1986, the period during which amendments to the United States Grain Standards Act contained in Section 155 of the Omnibus Budget Reconciliation Act of 1981 remain effective, and for other purposes.

The waiver of section 402(a) of the Congressional Budget Act of 1974 is necessary to permit Senate consideration of H.R. 5221, since the bill was not reported on or before May 25, 1984, as required under section 402(a) of the Congressional Budget Act of 1974. H.R. 5221, among other things, authorizes the enactment of new budget authority for fiscal year 1986 to carry out the United States Grain Standards Act.

AMENDMENTS SUBMITTED

APPLICATION OF IMPUTED INTEREST AND INTEREST ACCRUAL RULES IN CERTAIN SALES

MELCHER AMENDMENTS NOS. 4253 AND 4254
(Ordained referred to the Committee on Finance.)
Mr. Melcher submitted two amendments intended to be proposed by him to the bill (S. 2894) 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; as follows:

Amendment No. 4253
At the end of the bill, add the following new Section:

SEC. 1. CLARIFICATION THAT 1984 AMENDMENTS NOT TO APPLY TO ASSUMPTIONS OF PRE-EFFECTIVE DATE LOANS.

Notwithstanding any other provision of law, sections 1274 and 483 of the Internal Revenue Code of 1984, as amended by the Tax Reform Act of 1984, shall not apply to any debt instrument by reason of an assumption of such instrument.

Amendment No. 4254
On page 4, strike out lines 23 through 25 and on page 5, strike out lines 1 and 2 and insert in lieu thereof the following:

(A) SALES OF FARMS AND REAL PROPERTY USED IN A TRADE OR BUSINESS.—Any debt instrument arising from the sale or exchange of property to which paragraph (2)(b) or (C) of Section 483(e) applies.

On page 5, insert between lines 2 and 3 the following:

(A) SALE OF PRINCIPAL RESIDENCE.—Any debt instrument arising from the sale or exchange of any property used as the principal

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pal residence of the obligor under such instrument."

Mr. MELCHER. Mr. President, it is a good thing that some of the proposals in the recently passed Tax Act will not go into effect until January 1. That gives us a chance to head off the most devastating of some of those proposals.

Mr. President, today I am offering two amendments to S. 2894, my bill to amend the treatment of the sale or exchange of real property under the new original issue discount and imputed interest rules of the 1984 Tax Act.

The first amendment will insure that the changes made to original issue discount and imputed interest rules in the 1984 Tax Act will not apply to any debt instrument by reason of assumption of such instrument. A Washington Post article of September 15, 1984 stated that "Treasury officials confirmed last week that, as of next January 1, any real estate investment sale or exchange involving assumption of an existing mortgage and a sale price for the property of $250,000 or more will be subject to the government's controversial new rules on 'imputed interest.'"

Mr. President, it is those new rules on imputed interest that we must head off because they are devastating to the future of our economy. I am sure we will have an opportunity during the next couple of weeks before we adjourn to make the corrections that are necessary.

I do not believe that it was, or is, the Senate's intent that assumable loans for real property should have their interest rates pushed as high as 15 percent in one of the cases to avoid the seller paying an even higher tax penalty. This is just one more example of the problems caused by the new OID and imputed interest rate rules. My first amendment to S. 2894 will insure that assumable loans will not be hit by these new rules.

Mr. President, I ask unanimous consent that the entire Washington Post article be printed in the record at this point.

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

From the Washington Post, Sept. 15, 1984

"IMPUTED INTEREST" RULES HIT INVESTOR LOAN ASSUMPTIONS

(By Kenneth R. Harney)

Real estate investors who didn't read the fine print of the 1984 tax legislation have a new financial worry looming on the horizon.

Treasury officials confirmed last week that, as of next January 1, any real estate investment sale or exchange involving assumption of an existing mortgage and a sale price for the property of $250,000 or more will be subject to the government's controversial new rules on "imputed interest."

Top tax lawyers and accountants say the net effect will be to extend the Treasury's tax arm into far larger numbers of real estate transactions than originally thought.

One prominent Philadelphia accountant, Steven A. Braun of Alexander Grant & Co., called the coming new system a "rolling financial disaster" for unreal disaster" for unreal bankers, often-small-scale owners and buyers of investment real estate.

It will mean, for example, that the seller of a relatively modest-sized rental property carrying 9 or 10 percent bank financing will have to pay $375,000 interest on that mortgage in 1985 than he or she expected to get.

It also will mean that purchasers of anything from rental condominiums to office buildings will be hit by a stark reality: They no longer will be able to take over someone else's attractive cut-rate mortgage and write off depreciation deductions based on the full, negotiated contract price of the property.

Instead, they will be faced with an unpleasant choice: either to disregard the favorable financing attached to the piece of real estate they're buying and offer a rock-bottom price to the seller, or simply to buy real estate that comes with no cut-rate financing entanglements whatsoever—if they can afford today's high mortgage rates.

Here's what's behind the latest flap over imputed interest, and what it means for buyers and sellers planning to use loan assumptions.

A key section of the 1984 tax legislation sought to clear up the often-fluid relationship between the price paid for real estate and the mortgage or other debt instrument offered by sellers in connection with the sale.

A purchaser of a small rental property, for instance, might have been willing earlier to pay $375,000 for a building if the seller offered no special help with the mortgage or deed of trust. The same pur­ chaser, in other words, might have been willing to pay $375,000 if the seller agreed to "take back" a note at a discount rate—say a 10 percent mortgage for the next 10 years.

Buyers and sellers found the traditional system of negotiating price and financing to be a highly flexible, valuable way of balancing the financial needs of the Treasury Department, however, didn't like the traditional system, and convinced Congress to restrict it severely starting next January.

The Treasury objected to the tax consequences of seller-financed real estate deals. In the case of the $300,000 rental property example, for instance, the seller pocketed an extra $75,000 in capital gains by offering cut-rate financing.

The purchaser agreed to a 10 percent "phantom income" tax. He or she got to depreciate the property using a price level $75,000 higher than it otherwise would have been.

The buyer and seller both profited, but the government lost revenue in the process, Treasury argued. The $75,000 "extra" price should be recharacterized as interest income on the seller's ledger, taxable at regular income-tax rates, not capital-gains rates, Treasury said.

The $75,000 also should be stripped off the depreciation basis or tax cost reported by the buyer. The $75,000 was for interest on the seller's mortgage, for brick and mortar, Treasury's lobbyists argued.

They said that, to calculate the "true" financing on their books, the buyer of a seller-assisted deal such as this in the future, the mortgage financing should be subjected to the following test: The true costs and interest rate charged by the seller must exceed 110 percent of the average rate on long-term Trea­ sury securities (which works out to about 15 percent). If the seller charges less, the seller car­ ries a rate below the federally mandated minimum, however, the government should define the true rate in the deal even more harshly. For income-tax purposes, the government could say the buyer was actually paying interest payments at 120 percent of the federal rate—closer to 16 percent.

The Treasury convinced Congress to write all this into the tax laws. Even real estate investors have been unhappy about it for the past two months.

Mr. President, some of them haven't real­ ised yet, according to tax experts at the Na­ tional Reality Committee, that it, in the closing hours of the tax bill negotiations on Capitol Hill last summer, Treasury lobbyists inserted a new language expanding the scope of the rules beyond traditional seller financ­ ing.

The imputed-interest rules will cover "as­ sumptions of obligations to third-party lend­ ers" after Dec. 31, 1984, said the final draft of the House-Senate conference committee report on the law, "even though such obli­ gations were first issued prior to that date."

Translated from legalese, that means: All those attractive, low-interest assumable mortgages on investment real estate won't be worth their weight in gold anymore, once the clock hits midnight next New Year's Eve.

The only potential bright spot on the ho­ rizon is Treasury's forthright admission, which may offer more lenient application of the law to sellers and third-party lenders who offer such mortgages, and which the Treasury argued last week, may make the tax system more equitable overall. Those on the other hand, will be subject to the full force of the 1984 changes.

Most sellers of homes, by the way, won't run afoul of these complex new provisions unless their property is selling for more than $250,000 and has assumable cut-rate financing.

Sellers and third-party lenders with exist­ ing mortgages, for example, might be able to accommodate the new system, which may offer more lenient application of the law to sellers and third-party lenders who offer such mortgages, and which the Treasury argued last week, may make the tax system more equitable overall. Those on the other hand, will be subject to the full force of the 1984 changes.

Mr. MELCHER. The second amendment eliminates the taxing of "phantom income" under the new original issue discount rules in the 1984 Tax Act.

My continuing examination of the imputed interest rate and original issue discount rules enacted in June found that the 1984 Tax Act creates a tax liability for some sellers of property before the seller actually receives the income on which the tax is im­ posed and before he or she receives cash to pay the tax. S. 2894 eliminates this taxing of "phantom income" in the resale of residential property. However, the seller of newly-built homes would still be subject to the taxing of income they simply have not received. There is no mismatching of deductions and income between the seller and the buyer.

The Treasury has said that the buyer of a principal residence cannot depreciate it or take in­ vestment tax credits. Nor can the seller or the builder qualify for capital gains treat­ ment on income from the sale of an "affordable" new home. Rather than remedying a tax inequity in the cases of sales of new homes, the 1984 Tax Act itself creates an inequity
because the seller will be taxed on income that has not been received while the buyer will not be allowed any deduction at all for the payment made to the seller.

The amendment I am submitting today remedies this defect in the 1984 Tax Act by removing the "phantom income" provisions on any debt instrument arising from the sale or exchange of principal residences of the obligor under the instrument.

OMNIBUS TRADE ACT

GLENN AMENDMENT NO. 4255
Mr. GLENN proposed an amendment to the bill (H.R. 3398) to change the tariff treatment with respect to certain articles, and for other purposes; as follows:

On page 23 of the matter proposed to be inserted, after the matter between lines 6 and 7, insert the following:

"§ 4255. Amendments to the Omnibus Trade Act of 1984. Notwithstanding any provision of law, the Secretary of Commerce is authorized to promulgate regulations establishing the terms and conditions under which European Communities articles may be denied entry into the United States pursuant to this subsection."

LEVIN AMENDMENTS NOS. 4257 THROUGH 4259
Mr. LEVIN proposed three amendments to Amendment No. 4244 proposed by Mr. DANFORTH to the bill H.R. 3398, supra; as follows:

On page 47, line 22, strike "(b)" and add the following: "or by any interested person."

AMENDMENT NO. 4258
After line 19, page 52, add the following: "provided that in pursuing these objectives, U.S. negotiators shall take into account legitimate U.S. economic objectives including but not limited to, the protection of legitimate health or safety, essential security, environmental, consumer or employment opportunity and the laws and regulations related thereto."

AMENDMENT NO. 4259
After line 32, page 52, add the following: "provided that in pursuing these objectives including, but not limited to, the protection of legitimate U.S. health and safety, essential security, environmental, consumer or employment opportunity interests and the laws and regulations related thereto."

BENTSEN AMENDMENT NO. 4256
Mr. BENTSEN proposed an amendment to the bill H.R. 3398, supra; as follows:

AMENDMENT NO. 4256
Strike from page 34, line 27 through page 36, line 8 of Danforth amendment No. 4244 and insert a new Section 243 as follows:

"SEC. 243. ENFORCEMENT OF ARRANGEMENT ON COMMUNITY EXPORT OF PIPES AND TUBES.

(a) In connection with the provisions of the Arrangement on European Communities' Export of Pipes and Tubes to the United States of America, contained in an exchange of letters dated October 21, 1982 between representatives of the United States and the Commission of the European Communities, including any modification, clarification, extension or successor agreement thereto (collectively referred to hereinafter as "the Arrangement"), the Secretary of Commerce is authorized to request the Secretary of the Treasury to take action pursuant to subsection (b) of this section whenever he determines that:

(1) the level of exports of pipes and tubes to the United States from the European Communities is exceeding the average share of annual United States apparent consumption specified in the Arrangement, or

(2) distortion is occurring in the pattern of United States-European Communities' trade within the pipe and tube sector taking into account the average share of annual United States apparent consumption among product categories developed by the European Communities."

On any request to the Secretary of the Treasury pursuant to this subsection by the Secretary of Commerce shall identify one or more categories of pipe and tube products with respect to which action under subsection (b) is requested.

(b) At the request of the Secretary of Commerce pursuant to subsection (a), the Secretary of the Treasury shall take such action as may be necessary to ensure that the aggregate quantity of European Communities articles in each product category identified by the Secretary of Commerce in such request that are entered into the United States shall be limited to the aggregate quantity of such articles entered during the terms of the Arrangement. The Secretary of the Treasury is authorized to promulgate regulations establishing the terms and conditions under which European Communities articles may be denied entry into the United States pursuant to this subsection."

DANFORTH AMENDMENT NO. 4260
Mr. DANFORTH proposed an amendment to amendment No. 4244 proposed by him to the bill H.R. 3398, supra; as follows:

On page 10 of the matter proposed to be inserted in the matter between lines 4 and 5, strike out "any milk protein concentrate" and insert in lieu thereof "any complete milk protein (casein plus albumin) concentrate".

On page 10 of such matter, strike out lines 5 through 20 and insert in lieu thereof the following:

(b)(1) The aggregate quantity of articles provided for in items 118.35, 118.40, or 118.45 of the Tariff Schedules of the United States which may be entered during any 1-year period beginning on the date that is 14 months after the date of enactment of this Act shall not exceed the aggregate quantity of such articles entered during the 1-year period beginning on the date of enactment of this Act.

(2) The Secretary shall make the limitation provided in paragraph (1) among foreign countries, group of countries, or areas in a manner which, to the fullest extent practicable, results in an equitable distribution of such limitation.

(The Secretary shall take such actions as may be necessary or appropriate to enforce the provisions of this subsection, including, without limitation, the issuance of orders to customs officers to bar entry of any article if the entry of such article would cause the quantitative limitations established under paragraph (1) to be exceeded.

(4) The Secretary is authorized to issue implementing regulations, including the issuance of import licenses, as may be necessary or appropriate to effect the purposes of this subsection and to enforce the provisions of this subsection.

Before prescribing any regulations under subparagraph (A), the Secretary shall:

(i) consult with interested domestic parties;

(ii) afford an opportunity for such parties to comment on the proposed regulations; and

(iii) consider all such comments before prescribing final regulations.

MITCHELL AMENDMENT NO. 4261
Mr. MITCHELL proposed an amendment to amendment No. 4247 proposed by Mr. Coe to the bill H.R. 3398, supra; as follows:

At the end of Amendment 4247, offered by the Senator from Maine [Mr. Coe], add the following new section:

"§ 4261. SMALL BUSINESS INTERNATIONAL TRADE ADVOCATE.-(a) ESTABLISHMENT OF OFFICE. The Secretary of Commerce, shall establish within the Department of Commerce the Small Business International Trade Advocate Office which shall be headed by the Small Business International Trade Advocate (hereinafter in this section referred to as the "Advocate").

(b) DUTIES OF ADVOCATE.-(1) In general. The Advocate shall assist small businesses in the preparation for, and participation in, any proceedings relating to the administration of the trade laws of the United States.

(2) INITIATION AND INITIATION. The Advocate-

(A) may, at the request of any person—

(i) initiate and investigation under section 731(c)(3)(A)(vii) of the Tariff Act of 1930 in the same manner as the administering authority, and

(ii) intervene in any administrative proceeding under the Act if the Advocate determines such person is a small business which is unable to finance investigation of, or participation in, such proceeding, and

(B) shall, for purposes of subparagraph (A), have all rights under title VII of such Act which to an interested party is entitled.

(3) REQUESTS FOR INVESTIGATION. The Advocate may, at the request of the Advocate under the Small Business International Trade Commission to conduct not more than 3 investigations (or those to investigations under section 332(g) of the Tariff Act of 1930) to assist small businesses in preparing for proceedings under title VII of such Act.

The Advocate—

(A) shall not be considered for purposes of this section, the term "small business" means a small business concern (within the meaning of section 3 of the Small Business Act).

(d) Report to Congress. Each fiscal year the Advocate shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of
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Representatives with respect to its activities during the preceding fiscal year.

(e) AUTHORIZATION.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

(f) EFFECTIVE DATE.—The provisions of this section shall apply to fiscal years beginning after September 30, 1984."

DOMENICI (AND OTHERS) AMENDMENT NO. 4292

Mr. DOMENICI (for himself, Mr. Bingaman, Mr. Laxalt, Mr. Levey, Mr. Melcher, Mr. DeConcini, Mr. Goldwater, Mr. Garat, Mr. Hecht, and Mr. Baucus), proposed an amendment to amendment 4244 proposed by Mr. Danforth to the bill H.R. 3398, supra, as follows:

On page 41 of the matter proposed to be inserted, between lines 18 and 19, insert the following:

SEC. 7. NEGOTIATIONS ON RESTRAINT OF COPPER PRODUCTION.

The President, acting through the United States Trade Representative, shall immediately take action to initiate negotiations with the governments of the principal foreign copper-producing countries to conclude voluntary restraint agreements with those governments for the purpose of effecting a balanced reduction of total annual foreign copper production for a period of between 3 and 5 years in order to:

(1) allow the price of copper on international markets to rise modestly to levels which will permit the remaining copper operations located in the United States to attract needed capital, and

(2) achieve a secure domestic supply of copper.

INOYUE AMENDMENT NO. 4283

Mr. INOYUE proposed an amendment to amendment No. 4244 proposed by Mr. Danforth to the bill H.R. 3398, supra, as follows:

On page 41 of the matter proposed to be inserted, between lines 18 and 19, insert the following:

SEC. 7. DATA ON INTERNATIONAL TRADE IN SERVICES.

(a) The International Investment Survey Act of 1974 (Public Law 93-472; 98 Stat. 13101, et seq.) is hereby redesignated the "International Investment and Trade in Services Survey Act".

(b)(1) Subsection (a) of section 2 of the International Investment and Trade in Services Survey Act (22 U.S.C. 3301) is amended—

(A) by striking out "and" at the end of paragraph (6),

(B) by inserting "and trade in services" after "international investment" in paragraph (7),

(C) by redesignating paragraph (7) as paragraph (8), and

(D) by inserting after paragraph (6) the following new paragraphs:

"(7) United States service industries engaged in interstate and foreign commerce account for a substantial part of the labor force and gross national product of the United States economy, and such commerce is rapidly increasing.

(8) International trade in services is an important component of international negotiations and deserves priority in the attention of governments, international agencies, negotiators, and the private sector; and",

(2) Subsection (b) of section 2 of such Act is amended by inserting "and United States foreign trade in services, whether directly or by affiliates, including related information necessary for assessing the impact of such investment and trade, after "international investment" the first place it appears; and

(B) by inserting "international investment services" after "international investment" the second place it appears.

(3) Subsection (c) of section 2 of such Act is amended by striking out "or United States Investment abroad" and inserting in lieu thereof ",, United States investment abroad, or trade in services.

(c) Section 3 of such Act (22 U.S.C. 3102) is amended—

(1) by striking out "and" at the end of paragraph (10),

(2) by striking out the period at the end of paragraph (11) and inserting in lieu thereof a semicolon, and

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

"(12) "Trade in items" means the payment to, or receipt from, any person (whether affiliated or unaffiliated) of funds for the purchase or sale of a service; and

(13) "Services" means the rental or leasing of tangible property, the transfer of intangible services, such as tourism, construction, wholesale and retail trade, and all economic outputs other than tangible goods."

(d)(1) Subsection (a) of section 4 of such Act (22 U.S.C. 3103) is amended—

(A) by striking out "presentation relating to international investment" in paragraph (3) and inserting in lieu thereof "presentation",

(B) by inserting "and trade in services" after "international investment" each place it appears in paragraphs (1), (2), and (3),

(C) by striking out "and" at the end of paragraph (3),

(D) by redesignating paragraph (4) as paragraph (5), and

(E) by inserting after paragraph (3) the following new paragraph:

"(4) conduct (not more frequently than once every five years and in addition to any other surveys conducted pursuant to paragraphs (1) and (2)) benchmark surveys with respect to trade in services between unaffiliated United States persons and foreign persons and;"

(2) Subparagraph (C) of section 4(b)(2) of such Act is amended by inserting "(including trade in both goods and services) after regarding trade.

"(3) Subsection (f) of section 4 of such Act is amended by inserting "and trade in services" after "international investment",

(e) Subsection (d) of section 5 of such Act (22 U.S.C. 3104) is amended by striking out "international investment" each place it appears.

CRANSTON AND WILSON AMENDMENT NO. 4264

Mr. Cranston (for himself and Mr. Wilson), proposed an amendment to amendment No. 4244 proposed by Mr. Danforth to the bill H.R. 3398, supra, as follows:

On page 60, line 24, after the word "Contract," strike out the following, "provided that the negotiation of such eliminations or reductions takes fully into account any product that benefits from a discriminatory preferential tariff arrange-

ment between Israel and a third country, if the tariff preference on such product has been the subject of a challenge by the U.S. under the Agreement, under Section 301 of the Trade Act of 1974 and the General Agreement on Tariffs and Trade."

HEINZ AMENDMENT NO. 4265

Mr. HEINZ proposed an amendment to amendment No. 4247 proposed by Mr. Conyn to the bill H.R. 3398, as follows:

In amendment No. 4247;

Strike section 604.

Strike section 618.

Renumber succeeding sections accordingly.

HEINZ (AND OTHERS) AMENDMENT NO. 4266

Mr. HEINZ (for himself, Mr. Moynihan, Mr. Mitchell, and Mr. Ford), proposed an amendment to amendment No. 4244 proposed by Mr. Danforth to the bill H.R. 3398, supra, as follows:

At the end of amendment No. 4244, add the following new title: TITLE TRADE LAW REFORM

SECTION 1. REFERENCES.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a title, subtitle, part, section, or other provision, such reference shall be considered to be made to a title, subtitle, part, section, or other provision of the Tariff Act of 1930 (19 U.S.C. 1302 et seq.).

SEC. 2. BURDEN OF PERSUASION.

Section 751 of the Tariff Act of 1930 (19 U.S.C. 1675) is amended by adding at the end of subsection (b)(1) the following:

"During an investigation by the Commission, the party seeking revocation of an antidumping order shall have the burden of persuasion with respect to whether there are changed circumstances sufficient to warrant revocation of the antidumping order."

SEC. 3. CONSIDERATION OF CUMULATIVE IMPACT OF IMPORTS.

Subparagraph (E) of section 771(7) (19 U.S.C. 1677(7)(B)) is amended by adding at the end thereof the following new clause:

"(iii) CUMULATION.—In determining material injury or threat of material injury under sections 703, 705, 731, or 735 of this subtitle, the Commission shall consider the cumulative impact of imports from two or more countries subject to investigation under sections 701 or 703 or subject to final orders under sections 706 or 736, as appropriate, if, after reviewing the factors and conditions of trade, the Commission determines that:

(1) the marketing of such imports is reasonably incidenti, and

(2) imports from each source have contributed to the overall material injury to the industry resulting from imports."

SEC. 4. THREAT OF MATERIAL INJURY.

Paragraph (7) of section 771 (19 U.S.C. 1677(7)) is amended by inserting after subparagraph (E) the following new subparagraph:

"(F) THREAT OF MATERIAL INJURY:

"(I) IN GENERAL.—In determining whether an industry in the United States is threatened with material injury by reason of im-
ports (or sales for importation) of any merchandise, the Commission shall consider, among other relevant economic factors—

"(I) if a subsidy is involved, such information as shall be necessary to determine the nature and extent of the subsidy involved or to compute the extent to which the subsidy is being applied to such sales or imports.

"(II) any increase in production capacity or existing unused capacity in the exporting country that may be available to increase imports of the merchandise to the United States, and, if so, the extent to which such increased imports of the merchandise to the United States may offset such pressure on the market for such sales or imports.

"(III) any rapid increase in the United States market penetration and the likelihood that the penetration will increase to an injurious level.

"(IV) the probability that the imports of the merchandise will enter the United States at prices that have a depressing or suppressing effect on domestic prices of the merchandise,

"(V) any substantial increase in inventories of the merchandise in the United States.

"(VI) the presence of undertaxed capacity for producing the merchandise in the exporting country.

"(VII) any other demonstrable adverse trends that indicate the probability that the imports of the merchandise (whether or not it is actually being imported at the time) will be the cause of actual injury.

"(A) basis for determination.—Any determination by the Commission under this subtitle that an industry in the United States is threatened with material injury shall be made on the basis of evidence that the threat of material injury is real and that actual injury is imminent. Such a determination may not be made on the basis of mere conjecture or supposition.

SEC. 8. VERIFICATION OF AMOUNT OF Net SUBSIDY

Section 771(e) (19 U.S.C. 1677) is amended by inserting "verified" before "amount":

"(19 U.S.C. 1677) is amended by inserting "verified" before "amount":

"(A) in general.—The term "upstream subsidy" means any subsidy described in subparagraph (A) or (C) of paragraph (5) which—

"(i) is paid or bestowed by the government of a country to a producer that is used in the manufacture or production in such country of merchandise which is the subject of an investigation under subtitle A, (ii) reduces the price for the product for such use that is lower than the generally available price of the product in such country, and

"(iii) has a significant effect on the cost of manufacturing or producing the merchandise.

"(B) In applying this paragraph, an association of 2 or more foreign countries, political subdivisions, dependent territories, or possessions of foreign countries organized into a customs union outside the United States shall be treated as one country if the subsidy is provided by the customs union.

SEC. 9. SIMULTANEOUS INVESTIGATIONS

Section 705(c)(1) is amended to read as follows:

"(1) in general.—Within 75 days after the date of the preliminary determination under section 703(b), the administering authority shall make a final determination of whether material injury has been sustained with respect to the merchandise; except that when an investigation under this subtitle is concurrent with an investigation under subtitle B, which involves imports of the same class or kind of merchandise from the same or other countries, if the administering authority, if requested by the petition, shall extend the date of the final determination under this paragraph to the date of the final determination of the administering authority in such investigation initiated under subtitle B.

SEC. 10. SPECIAL RULES REGARDING DOWNSTREAM DUMPING

(a) Section 711 of the Tariff Act of 1930 (19 U.S.C. 1671) is amended by striking chapter 12 and inserting the following new chapter:

"(1) in general.—The term "upstream subsidy" means any subsidy described in subparagraph (A) or (C) of paragraph (5) which—

"(i) is paid or bestowed by the government of a country to a producer that is used in the manufacture or production in such country of merchandise which is the subject of an investigation under subtitle A, (ii) reduces the price for the product for such use that is lower than the generally available price of the product in such country, and

"(iii) has a significant effect on the cost of manufacturing or producing the merchandise.

In applying this paragraph, an association of 2 or more foreign countries, political subdivisions, dependent territories, or possessions of foreign countries organized into a customs union outside the United States shall be treated as one country if the subsidy is provided by the customs union.

"(B) Adjustment of Generally Available Price in Certain Circumstances.—If the administering authority determines that the generally available price for a product sold at retail in a substantial portion of the United States to the United States is lower than the generally available price in that market, the administering authority shall adjust such generally available price so as to offset such pressure on the market for such sales or imports.

"(C) Inclusion of Amount of Subsidy.—If the administering authority decides, during the course of an investigation under subtitle A or B, that an upstream or downstream dumping duty or anti-dumping duty imposed under that subtitle on the merchandise an amount equal to the difference between the prices referred to in subparagraph A or B is being or has been paid or bestowed with respect to the merchandise under investigation, the administering authority shall increase the amount of any countervailing duty or anti-dumping duty imposed under that subtitle on the merchandise an amount equal to the difference between the prices referred to in subparagraph A or B, adjusted, if appropriate, for artificial depression.

SEC. 11. COUNTERVAILING DUTIES APPLY ON COUNTRY-WIDE BASIS.

Subsection (a) of section 706 (19 U.S.C. 1671e(a)) is amended—

"(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and

"(2) by adding after paragraph (1) the following new paragraph:

"(2) shall presumptively apply to all merchandise of such class or kind exported from the country investigated, except that if—

"(A) the administering authority determines that a significant difference between companies receiving subsidy benefits or a State-owned enterprise is involved, the order may provide for differing countervailing duties.

SEC. 12. SPECIAL RULES REGARDING DOWNSTREAM DUMPING

(a) Section 711 of the Tariff Act of 1930 (19 U.S.C. 1671) is amended by striking chapter 12 and inserting the following new chapter:

"(1) in general.—The term "upstream subsidy" means any subsidy described in subparagraph (A) or (C) of paragraph (5) which—

"(i) is paid or bestowed by the government of a country to a producer that is used in the manufacture or production in such country of merchandise which is the subject of an investigation under subtitle A, (ii) reduces the price for the product for such use that is lower than the generally available price of the product in such country, and

"(iii) has a significant effect on the cost of manufacturing or producing the merchandise.

In applying this paragraph, an association of 2 or more foreign countries, political subdivisions, dependent territories, or possessions of foreign countries organized into a customs union outside the United States shall be treated as one country if the subsidy is provided by the customs union.

"(B) Adjustment of Generally Available Price in Certain Circumstances.—If the administering authority determines that the generally available price for a product sold at retail in a substantial portion of the United States is lower than the generally available price in that market, the administering authority shall adjust such generally available price so as to offset such pressure on the market for such sales or imports.

"(C) Inclusion of Amount of Subsidy.—If the administering authority decides, during the course of an investigation under subtitle A or B, that an upstream or downstream dumping duty or anti-dumping duty imposed under that subtitle on the merchandise an amount equal to the difference between the prices referred to in subparagraph A or B is being or has been paid or bestowed with respect to the merchandise under investigation, the administering authority shall increase the amount of any countervailing duty or anti-dumping duty imposed under that subtitle on the merchandise an amount equal to the difference between the prices referred to in subparagraph A or B, adjusted, if appropriate, for artificial depression.

"(D) Inclusion of Amount of Subsidy.—If the administering authority decides, during the course of an investigation under subtitle A or B, that an upstream or downstream dumping duty or anti-dumping duty imposed under that subtitle on the merchandise an amount equal to the difference between the prices referred to in subparagraph A or B is being or has been paid or bestowed with respect to the merchandise under investigation, the administering authority shall increase the amount of any countervailing duty or anti-dumping duty imposed under that subtitle on the merchandise an amount equal to the difference between the prices referred to in subparagraph A or B, adjusted, if appropriate, for artificial depression.
By amending paragraph (a)(2) by striking out subsection (e) of this section and inserting "under subsection (e)(1) of this section.

(c) Section 733 of the Tariff Act of 1930 (19 U.S.C. 1677e) is amended as follows:

(1) By renumbering subsection (b) as paragraph (b)(1) and inserting a new paragraph (b)(2) to read as follows:

"Whenever the administering authority has reasonable grounds to believe or suspect that "dumping" as defined in section 771(a)(18), of a material or component incorporated in final export product is occurring, or is anticipated to occur, the administering authority shall determine whether "downstream dumping" of such material or component incorporated in final export product is occurring, or is anticipated to occur, and if so, shall determine the constructed value of the merchandise under investigation pursuant to subsection (e)."

(2) By renumbering subsection (e) as subsection (e)(1) and by adding a new paragraph (e)(2) to read as follows:

"(2) If the administering authority determines that the downstream dumping of a material or component incorporated in the final export product is occurring or has occurred, the administering authority shall determine the cost of the material or component pursuant to subsection (e)(1), including the amount equal to the difference between:

(A) the price referred to in paragraph (1)(A), or the material or component purchased, and

(B) either:

(i) the generally available price, referred to in paragraph (1)(B), or

(ii) the price, referred to in paragraph (1)(B), of the material or component or

(iii) the price, referred to in paragraph (1)(B), of the material or component that would prevail but for artificial depression, whichever is appropriate, except that in no event the amount be greater than the amount by which the foreign market value of the material or component exceeds its purchase price.

(c) Section 735 of the Tariff Act of 1930 (19 U.S.C. 1677f) is amended by adding at the end thereof the following new subsection:

"SEC. 75. QUANTITATIVE RESTRICTION AGREEMENTS.

(a) Subsection (c) of section 734 (19 U.S.C. 1673f(c)) is amended by adding at the end thereof the following new paragraph:

"(3) QUANTITATIVE RESTRICTIONS AGREEMENTS.—The administering authority may accept an agreement providing for the calculation of the cost of the material or component pursuant to subsection (e) in lieu of the market value of such material or component as defined in subsection (d) only if:

(A) the government of the country in which the merchandise is produced finances or otherwise provides credits or assistance to the producer of such material or component that would be sufficient to offset the dumping of such material or component to the United States.

(b) Subsection (d) of section 734 (19 U.S.C. 1673f(d)) is amended by adding at the end thereof the following new paragraph:

"(3) REGULATIONS GOVERNING ENTRY OR WITHDRAWAL.—In order to carry out an agreement concluded under subsection (b) of this section, the administering authority is authorized to prescribe regulations governing the entry, or withdrawal of that part of the merchandise covered by such agreement."

SEC. 12. SECURITY IN LIEU OF ESTIMATED DUTY.

(a) Paragraph (1) of section 736(c) (19 U.S.C. 1673e(c)) is amended to read as follows:

"(1) CONDITIONS FOR WAIVER OF DEPOSIT OF ESTIMATED DUTIES.—The administering authority may permit, for not more than 90 days after the date of publication of an order under subsection (a), the posting of a bond or other security in lieu of the deposit of estimated antidumping duties required under subsection (a)(3) if:

(A) the case has not been designated as extraordinarily complicated by reason of—

(i) the number and complexity of the transactions to be investigated or adjustments to be made,

(ii) the novelty of the issues presented, or

(iii) the number of firms whose activities must be investigated.

(b) The final determination has not been postponed under section 735(a)(2)(A);

(B) on the basis of information presented to it by any manufacturer, producer, or exporter of the merchandise and within such time as it may require, it is satisfied that it will be able to determine, within 90 days after the date of publication of an order under subsection (a), the foreign market value and the United States price for all merchandise of such manufacturer, producer, or exporter described in the order that was entered, or withdrawn from warehouse, for consumption or sold in the ordinary course of trade and not be resumed unless and until the date of publication of that order published under section 735(a), as appropriate,

(c) The party submitting the information provides credible evidence that the weighted average of the amount by which the foreign market value of the merchandise exceeds the United States price of the merchandise is significantly less than the amount of such excess specified in the antidumping duty order published under subsection (a); and

(D) the data concerning the foreign market value and the United States price apply to sales in the usual wholesale quantities and the ordinary course of trade and the number of such sales are sufficient to form an adequate basis for comparison.

The amendments made by this section shall be effective on or after the date of publication of subsection (a) of section 733(b) of the Act of October 16, 1972 (19 U.S.C. 1673(b))."

SEC. 13. IMPORTED PRODUCTS TRADE ENFORCEMENT.

In order to monitor and enforce export measures required by a foreign government or customs union, the Secretary of the Treasury may, upon request of the President of the United States and by a foreign government or customs union, require the presentation of a valid export license or other documents issued by such foreign government or customs union to be entered with an accompanying valid entry license or other documents may be denied entry into the United States.

SEC. 14. SALES FOR IMPORTATION.

(a) Section 701 (19 U.S.C. 1671a) is amended—

(1) by inserting "or sold (or likely to be so) for importation," after "imported;" in paragraph (1);

(2) by inserting "or by reason of sales (or the likelihood of sales) of that merchandise for importation immediately after by"
reason of imports of that merchandise" in paragraph (2), and
(C) by adding at the end thereof the following new sentence: "For purposes of this subsection, ‘reason of imports’ means the reason to the sale of merchandise includes the entering into any leasing arrangement regardless of the likelihood that, is equivalent to the sale of the merchandise.

(2) Section 708(b)(1) (18 U.S.C. 1671(b)(1)) is amended—
(a) by inserting ‘or by reason of sales (or the likelihood of sales) for importation,’ immediately after ‘by reason of imports’,
(b) by Section 731 (19 U.S.C. 1673) is amended—
(1) by inserting ‘or by reason of sales (or the likelihood of sales) for importation,’ immediately after ‘by reason of imports’ in paragraph (1) of subsection (b), and
(2) by adding at the end thereof the following new sentence: ‘For purposes of paragraphs (3) and (5) of section 735(b)(1), a reference to the sale of foreign merchandise includes the entering into of any leasing arrangement regarding the merchandise that is equivalent to the sale of the merchandise.

(c) Section 735 (19 U.S.C. 1675d) is amended—
(a) by inserting ‘or by reason of sales (or the likelihood of sales) for importation,’ after ‘by reason of imports’ in paragraph (1) of subsection (b),
(b) by Section 742 [19 U.S.C. 1671(b) and 1673b] are amended by adding ‘or sales (or the likelihood of sales) for importation.’ after ‘by reason of imports’.

SEC. 17. SALES FOR FUTURE DELIVERY AND IRREVOCABLE OFFERS.
Sections 702 and 732 (19 U.S.C. 1671a and 1673a) are each amended by adding at the end thereof the following new subsection:
(1) In making determinations under paragraph (1) of subsection (c), the existence of sales for future delivery or irrevocable offers to sell the merchandise that is the subject of the petition may be a basis for an affirmative determination.
(2) Sections 702 and 732 (U.S.C. 1671a and 1673a) are each amended by adding at the end thereof the following new subsection:
(1) In making determinations under paragraph (1) of subsection (c), the absence of a history of imports in sufficient volume to be a present cause of importation or sales (or the likelihood of sales) for importation, may be a basis for a decision not to initiate an investigation if a sufficient allegation of threat of material injury is made.

HEINZ AMENDMENT NO. 4267
Mr. HEINZ proposed an amendment to amendment No. 4244 proposed by Mr. DANNFORTH to the bill H.R. 3398, supra, as follows:

At the end of amendment No. 4244, add the following new title:
TITILE —TRADE WITH NONMARKET ECONOMIES
SEC. 1. CREATION OF ARTIFICIAL PRICING INVESTIGATION.

(a) AMENDMENT OF TITLE VII.—Title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.) is amended by redesignating subsections C and D as subtitles D and E, respectively, and by inserting after subtitile B the following new subtitle:
Subtitle C—Imposition of Artificial Pricing Duties

"SEC. 741. ARTIFICIAL PRICING DUTIES IMPPOSED.
(a) IN GENERAL.—
(1) Administering authority determines that a class or kind of merchandise which is the product of a nonmarket economy country is being, or is likely to be, sold in the United States at an artificial price, and
(2) in the case of a country which is a party to the General Agreement on Tariffs and Trade, or which is a country under the Agreement pursuant to section 701(b), the Commission determines that—
(A) an industry in the United States—
(B) the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise, then there shall be imposed upon such merchandise an artificial pricing duty in an amount equal to the amount by which the minimum allowable import price exceeds the actual price for such merchandise.
(b) DUTY IN ADDITION TO OTHER DUTIES.—Any duty imposed under this section shall be in addition to any other duty other than a countervailing or antidumping duty.

"SEC. 742. PROCEDURES FOR INITIATING AN ARTIFICIAL PRICING DUTY INVESTIGATION.
(a) INITIATION BY ADMINISTERING AUTHORITY.—An artificial pricing duty investigation shall be commenced whenever the administering authority determines, from information available to it, that a formal investigation is warranted into the question of whether an urgent need exists for the imposition of a duty under section 741 exist. If the investigation concerns a country which is a party to the General Agreement on Tariffs and Trade, or which is a country under the Agreement pursuant to section 701(b), the administering authority shall immediately notify the Commission in the manner prescribed in subsection (d).
(b) INITIATION BY PETITION.—
(1) Petition for Investigation.—Any petition for an artificial pricing duty investigation shall be commenced whenever an interested party described in subparagraph (C), (D), or (E) of section 771(b) files a petition with the administering authority, on behalf of an industry, which—
(i) alleges the elements necessary for the imposition of the duty imposed by section 741, and
(ii) is accompanied by information reasonably available to the petitioner supporting the petition.
(2) AMENDMENT OF PETITION.—Any petition under this paragraph may be amended at any time, and upon such conditions, as the administering authority and the Commission may permit.
(3) SIMULTANEOUS FILLING WITH COMMISSION.—The petition shall file a copy of the petition with the Commission on the same day as it is filed with the administering authority, if the allegations are made against a country which a party to the General Agreement on Tariffs and Trade, or which is a country under the Agreement pursuant to section 701(b).
(c) PETITION DETERMINATION.—Within 20 days after the date on which a petition is filed under subsection (b), the administering authority shall—
(i) determine whether the petition alleges the elements necessary for the imposition of a duty under section 741 and contains information reasonably available to the petition supporting the allegations,
(ii) determine whether the subject of the petition is a nonmarket economy country,
(iii) if neither of the preceding paragraphs (2) and (3) are affirmative—
"(A) commences an investigation to determine whether the class or kind of merchandise described in the petition is being, or is likely to be, sold in the United States at an artificial price,
"(B) provides for the publication of notice of the determinations in the Federal Register,
(4) if the determination under paragraph (1) is negative, dismiss the petition, terminate the proceeding, notify the petitioner in writing of the reasons for the determination, and provide for the publication of notice of the determination in the Federal Register, and
(5) if the determination under paragraph (2) is negative, terminate the proceeding, notify the petitioner in writing of the reasons for the determination, and provide for the publication of notice of the determination in the Federal Register.
(d) NOTIFICATION TO COMMISSION OF DETERMINATION.—In the case of a petition making allegations against a country that is a party to the General Agreement on Tariffs and Trade, or which is a country under the Agreement pursuant to section 701(b), the administering authority shall—
(1) notify the Commission immediately of any determination made under subsection (b) or (c) by the administering authority,
(2) if the determination is affirmative, make available such information as the administering authority may have relating to the matter under investigation.
Information shall be made available under paragraph (2) only under such procedures as the administering authority and the Commission may establish to prevent unauthorized dissemination of any information in which confidential treatment has been given by the administering authority.
(e) NO DUPLICATION OF INVESTIGATION.—Except as provided in section 748(b), the administering authority shall not initiate an artificial pricing investigation pursuant to a petition filed by an entity with respect to the artificial pricing of an article from a nonmarket economy country with respect to which that entity has filed a petition for a countervailing duty or antidumping duty investigation under section 303 of the Trade Act of 1974 (19 U.S.C. 2413) or this title if—
(1) the country against which the countervailing duty or antidumping duty proceeding is in process,
"SEC. 743. PRELIMINARY DETERMINATIONS.
(a) DETERMINATIONS BY COMMISSION OF REASONABLE INDICATION OF INJURY.—In the case of a petition dismissed by the administering authority under section 742(c) (4) or (5), the Commission, within 45 days after the date on which a petition is filed under section 742(b)(1) or on which the Commission receives notice from the administering authority of an investigation commenced under section 742(b)(1), shall make a determination, based upon the best information available to the Commission at the time of the determination, of whether there is a reasonable indication that—
(i) an industry in the United States—
(ii) an industry is materially injured, or
(iii) the establishment of an industry in the United States is materially retarded, by reason of imports of the merchandise which is that article.
(b) NOTIFICATION TO COMMISSION OF DETERMINATION.—In the case of a petition dismissed by the administering authority under section 742(c) (4) or (5), the Commission, within 45 days after the date on which a petition is filed under section 742(b)(1) or on which the Commission receives notice from the administering authority of an investigation commenced under section 742(b)(1), shall make a determination, based upon the best information available to the Commission at the time of the determination, of whether there is a reasonable indication that—
(i) an industry in the United States—
(ii) an industry is materially injured, or
(iii) the establishment of an industry in the United States is materially retarded, by reason of imports of the merchandise which is that article.
(b) Preliminary Determination by Administering Authority.—Within 65 days after the date on which a petition is filed under section 742(b), or an investigation is commenced under section 742(a), but not before the date on which investigation is commenced under section 731(a), the administering authority shall make a preliminary determination based upon the information available to such administering authority at the time of the determination, of whether there is a reasonable basis to believe or suspect that the merchandise is being sold, or is likely to be sold, at an artificial price. If the determination of the administering authority is affirmative, the determination shall include the estimated average amount by which the minimum allowable import price exceeds the actual price for such merchandise.

(c) Extension of Period in Extraordinarily Complicated Cases.—

(1) In general.—(A) The administering authority may postdate the preliminary determination under subsection (b) of this section until not later than the 150th day after the date on which a petition is filed under section 742(b), or an investigation is commenced under section 742(a).

(2) Notice of Postponement.—The administering authority shall notify the parties to the investigation, not later than 20 days before the date on which the preliminary determination would otherwise be required under subsection (b), if the administering authority chooses to postdate the preliminary determination under paragraph (1). The notification shall include an explanation of the reasons for the postponement, and notice of the postponement shall be published in the Federal Register.

(d) Determination by Administering Authority.—If the preliminary determination of the administering authority under subsection (b) is affirmative, the administering authority—

(1) shall order the suspension or liquidation of all entries of merchandise subject to the determination which are entered, or withdrawn from warehouse, for consumption on or after the date of publication of the notice of the determination in the Federal Register.

(2) shall order the posting of a cash deposit, bond, or other security, as the administering authority determines, for each entry of the merchandise concerned equal to the estimated average amount by which the minimum allowable import price exceeds the actual price of such merchandise, and

(3) in the case of an investigation in which a determination under section 741(b) is required, shall make available to the Commission all information upon which the determination was based and which the Commission considers relevant to the injury determination.

Information shall be made available under paragraph (3) under such procedures as the administering authority and the Commission may establish to ensure authorized disclosure of any information to which confidential treatment has been given by the administering authority.

(e) Critical Circumstances Determinations.—

(1) In general.—If a petitioner alleges critical circumstances in the original petition, or by amendment at any time more than 20 days before the date of a final determination by the administering authority, then the administering authority shall promptly determine, on the basis of the best information available to the administering authority at that time, whether there is a reasonable basis to believe or suspect that—

(A) there is a history of dumping or artificial pricing in the United States or elsewhere with respect to merchandise which is the subject of the investigation, or

(B) the person by whom, or for whose account, the merchandise was imported knew or had reason to believe that the exporter was selling the merchandise which is the subject of the investigation at an artificial price, and

(2) Suspension of Liquidation.—If the determination of the administering authority under paragraph (1) is affirmative, then any suspension of liquidation ordered under subsection (d)(1) shall apply, or, if notice of such suspension of liquidation is already published, be amended to apply, to unliquidated entries of merchandise entered, or withdrawn from warehouse, with consumption on or after the date which is 90 days before the date on which suspension of liquidation was first ordered.

(f) Notice of Determinations.—Whenever the Commission or the administering authority makes a determination under this section, the petitioner, other parties to the investigation, and any person by whom or for whose account the merchandise is the subject of the investigation will be notified by the Commission or the administering authority of the determination and a copy of the facts and conclusions of law on which the determination is based, and such notice of the determination shall be published in the Federal Register.

SEC 744. TERMINATION OR SUSPENSION OF INVESTIGATION.

(a) Termination of Investigation on Withdrawal of Petition.—An investigation under this subtitle may be terminated by either the administrative authority or, if appropriate, the Commission under this section by a written notice of withdrawal of the petition by the petitioner. The Commission may not terminate an investigation under the preceding sentence before a petition is made by the administering authority under section 743(b).

(b) Agreements to Eliminate Artificial Pricing or to Cease Exports of Artificially Priced Merchandise.—The administering authority by a determination shall not suspend an investigation if the exporters of the merchandise which is the subject of the investigation, who account for substantially all of the imports of that merchandise agree—

(1) to cease exports of the merchandise to the United States within 6 months after the date on which the investigation is suspended, or

(2) to revise the prices to eliminate completely any amount by which the minimum allowable import price of the merchandise is exceeded above the actual price of such merchandise.

(c) Agreements Eliminating Injurious Effects.—

(1) General Rule.—If the administering authority determines that extraordinary circumstances are present in a case, the administering authority may suspend an investigation upon the acceptance of an agreement from the government of the nonmarket economy country under investigation, or from exporters described in subsection (b), if the agreement will eliminate completely the injurious effect of exports to the United States of the merchandise which is the subject of the investigation.

(2) Certain Additional Requirements.—Except in the case of an agreement by a foreign government to restrict the volume of imports of the merchandise which is the subject of the investigation into the United States, the administering authority shall not accept an agreement under this subsection unless—

(A) there is a suspension or undercutting of price levels of domestic products by imports of such merchandise will be prevented, and

(B) for each entry of each exporter the amount by which the minimum allowable import price exceeds the actual price will not exceed 15 percent of the estimated minimum allowable import price exceeded the actual price for all artificially priced entries of the exporter examined during the course of the investigation.

(3) Quantitative Restrictions Agreements.—The administering authority may enter into an agreement with a foreign government under this subsection to restrict the volume of imports of merchandise which is the subject of an investigation into the United States by an amount by which the estimated minimum allowable import price exceeded the actual price for all artificially priced entries of the exporter examined during the course of the investigation.

SEC 750. TERMINATION OR SUSPENSION OF INVESTIGATION.

(a) Suspension of Liquidation.—An investigation under this subtitle may be suspended by the appropriate administering authority by notice in the Federal Register.

(b) Determination of Completeness.—The administering authority may not accept any section 731(a) or 731(b) petition which fails to meet all of the requirements specified by the administering authority in its notice of investigation.
(b) unless that agreement provides a means of ensuring that the quantity of the merchandise covered by that agreement exported to the United States during the period provided for elimination of the artificial pricing or cessation of exports does not exceed the quantity of such merchandise exported to the United States during the most recent representative period determined by the administering authority.

(3) WHERE INVESTIGATION IS CONTINUED.—If, pursuant to subsection (g), the administering authority determines that an agreement accepted under subsection (b) or (c) is being, or has been, violated, or no longer meets the requirements of subsections (b) and (c), and, if appropriate, the Commission, continue an investigation in which an agreement has been accepted under subsection (b) or (c), then—

(A) if the final determination by the administering authority or the Commission under section 746 is negative, the agreement shall have no force or effect and the investigation shall be terminated, or

(B) if the final determinations by the administering authority or the Commission under such section are affirmative, the agreement shall remain in force, this notwithstanding the fact that the determination under such determination under section 743(d) may be adjusted to reflect the effect of the agreement.

(c) OTHER AGREEMENTS.—If the agreement accepted by the administering authority is an agreement described in subsection (b) or (c) the administering authority shall—

(1) notify the petitioner of, and consult with, the parties to the investigation, its intention to suspend the investigation, and notify the other parties to the investigation and, if appropriate, the Commission not less than 30 days after the date on which it suspends the investigation,

(2) provide a copy of the proposed agreement to the petitioners and the parties to the investigation and, if the parties to the investigation or, where appropriate, the Commission, object to such notice, the furnishing of the copy shall be suspended for a period not exceeding 30 days after the date on which it suspends the investigation,

(3) permit all parties to the investigation to submit comments and information for the record before the date on which notice of the investigation is published under subsection (f)(1)(A).

(4) EFFECTS OF SUSPENSION OF INVESTIGATION.—

(1) IN GENERAL.—If the administering authority determines to suspend an investigation upon acceptance of an agreement described in subsection (b) or (c), then—

(A) the administering authority shall suspend the investigation, publish notice of suspension of an affirmative preliminary determination under section 743(b) with respect to the merchandise which is the subject of the investigation, unless such a determination in the same investigation has been previously issued.

(B) the Commission shall suspend any investigation the Commission is conducting with respect to that merchandise, and

(C) the suspension of investigation shall take effect on the day on which such notice is published.

(2) LIQUIDATION OF ENTRIES.—

(A) CESSATION OF EXPORTS; COMPLETE ELIMINATION OF ARTIFICIAL PRICING.—If the agreement accepted by the administering authority is an agreement described in subsection (b), then—

(i) notwithstanding the affirmative preliminary determination required under subsection (1)(A), the liquidation of entries of merchandise which is the subject of the investigation shall not be suspended under section 743(d)(1).

(ii) if the liquidation of entries of such merchandise was suspended pursuant to a previous affirmative preliminary determination in the same case with respect to such merchandise, that suspension of liquidation shall remain in effect.

(iii) the administering authority shall refund any cash deposit and release any bond or other security deposited under section 743(d)(1).
SEC. 745. FINAL DETERMINATIONS.

(a) Final Determination by Administering Authority.—

(1) In General.—Within 75 days after the date of the preliminary determination under section 743(b), the administering authority shall make a final determination of whether the merchandise is subject to an affirmative final determination by the administering authority, and the final determination under subsection (a) is affirmative.

(2) Period for Injury Determination Following Affirmative Preliminary Determination by Administering Authority.—If the preliminary determination by the administering authority under section 743(b) is affirmative, then the final determination by the administering authority under this subsection shall be made within 75 days after the date of that affirmative final determination.

(3) Certain Additional Findings.—

(1) There is material injury which will be difficult to repair, and

(2) the material injury was by reason of such massive imports of the artificially priced merchandise over a relatively short period.

(3) If the final determination of the Commission is that there is not material injury, then the determination shall include a finding as to whether material injury by reason of imports of the merchandise is likely to be, sold in the United States at a price which is likely to be, sold in the United States at an artificially price, and the final determination under subsection (a) would have been found but for any suspension of liquidation of entries of that merchandise.

(4) Effect of Final Determinations.—

(1) Effect of Affirmative Determination by the Administering Authority.—If the determination of the administering authority under subsection (a) is affirmative, then—

(A) the administering authority, in a case in which a determination by the Commission is required, shall make available to the Commission all information upon which such determination was based and which the Commission considers relevant to the determination, under such procedures as the administering authority and the Commission may establish to prevent unauthorized disclosure of any information which conflicts with information given by the administering authority, and

(B) in cases where the preliminary determination of the administering authority under section 743(b) was negative, the administering authority shall order under paragraphs (1) and (2) of section 743(d) the suspension of liquidation and the posting of a cash deposit, bond, or other security.

(2) Issuance of Order; Effect of Negative Determination.—If the determination of the administering authority and, if required, the Commission under subsections (a)(1) and (b)(1) is affirmative, then the administering authority shall issue an artificial pricing duty order under section 746(a).

(c) Deposit of Estimated Artificial Pricing Duties.  —(1) General Rule.—If the Commission, in the final determination under section 745(b), finds material injury or threat of material injury which, but for the suspension of liquidation under section 743(d)(1), would have led to a finding of material injury, then entries of the merchandise subject to the artificial pricing duty order, the liquidation of which has been suspended under section 743(d)(1), shall be subject to the imposition of artificial pricing duties under section 741(a).

(2) Special Rule.—If the Commission, in the final determination under section 745(b), finds threat of material injury (other than threat of material injury described in paragraph (1)) or material retardation of the establishment of an industry in the United States, then merchandise subject to an artificial pricing duty order which has been, or will be, liquidated, for consumption on or after the date of publication of notice of an affirmative determination of the Commission under section 745(b) shall be subject to the imposition of artificial pricing duties under section 741(a), and the administering authority shall—

(A) publish a notice of the determination, and

(B) require any bond or other security, and refund any cash deposit made, to secure the payment of artificial pricing duties with respect to entries of the merchandise entered, or withdrawn from warehouse, for consumption before that date.

SEC. 746. TREATMENT OF DIFFERENCE BETWEEN DEPOSIT OF ESTIMATED ARTIFICIAL PRICING DUTY AND FINAL ASSESSED DUTY UNDER ARTIFICIAL PRICING DUTY ORDER.

(a) Deposit of Estimated Artificial Pricing Duty Under Section 743(d)(2).—If the amount of any bond or other security, required as security for an estimated artificial pricing duty under section 743(d)(2) is different from the amount of any bond or other security, required as security for an artificial pricing duty order under section 745(b), the administering authority shall adjust the security as required by such order issued under section 745(b), and, if the difference in the amount of any bond or other security required as security is not in excess of the amount of the deposit made under section 743(d)(2), such deposit shall be published in the Federal Register.

(b) Publication of Artificial Pricing Duty Order.—Within 7 days after being notified by the Commission of an affirmative determination under section 745(b), or within 7 days after an affirmative determination by the administering authority under section 745(a), if its determination by the Commission is required, the administering authority shall publish an artificial pricing duty order which—

(1) directs customs officers to assess an artificial pricing duty equal to the amount of the minimum allowable assessed duty on the merchandise, which is likely to be, sold in the United States at an artificially price, and the final determination under which—

(2) includes a description of the class or kind of merchandise affected, in such detail as the administering authority deems necessary, and

(3) requires the deposit of estimated artificial pricing duties along with the deposit of estimated normal duties which would be payable if the merchandise pending liquidation of entries of such merchandise.
(1) disregarded, to the extent that the cash deposit is less than the duty determined under the order, or

(2) refunded, to the extent that the deposit under section 706(a)(3) is lower than the duty determined under the order, or

(b) Deposits of Estimated Artificial Pricing Duty Under Section 746(a)(3).—If the estimated artificial pricing duty deposit under section 746(a)(3) is different from the amount of the artificial pricing duty determined under an artificial pricing duty order issued under section 746, then the difference for entries of merchandise entered, withdrawn from warehouse, for consumption after notice of the affirmative determination of the Commission under section 746(b)(7) shall be—

"(3) No later than 10 days before making a determination under paragraph (1), the administering authority shall notify the petitioners of, and consult with the petitioner concerning, the intention of the administering authority to treat an artificial pricing duty as an antidumping or countervailing duty investigation.

(b) Change from Antidumping Duty on Countervailing Duty Investigation.

(1) If in the course of an antidumping duty or countervailing duty investigation, the administering authority determines that—

(A) the industry or sector of the nonmarket economy country under investigation is not market-oriented, and

(B) there is insufficient verifiable information to determine whether to treat the sale of the merchandise in that country as conducted as an antidumping duty or countervailing duty investigation,

then the administering authority shall terminate the antidumping duty or countervailing duty investigation.

(2) Whenever the administering authority determines under paragraph (1) that an antidumping duty or countervailing duty investigation will be treated as an antidumping duty or countervailing duty investigation, and the administering authority shall make a preliminary determination of whether a dumping duty or countervailing duty investigation shall be treated as a countervailing duty investigation, the administering authority shall take into account the evidence of dumping established by the timetable and the method of calculation

(1) the extent to which the country's currency is convertible;

(2) the extent to which wage rates are determined by free bargaining between labor and management; and

(3) the extent to which joint ventures or other investments by foreign firms are permitted.

(3) If in the course of an antidumping duty or countervailing duty investigation, the administering authority has determined that an antidumping duty or countervailing duty investigation has been commenced as an artificial pricing duty investigation, the administering authority shall be—

(A) the industry or sector of the nonmarket economy country under investigation is not market-oriented, and

(B) there is insufficient verifiable information to determine whether to treat the sale of the merchandise in that country as conducted as an antidumping duty or countervailing duty investigation,

then the administering authority shall terminate the antidumping duty or countervailing duty investigation.

(c) Change from Artificial Pricing Duty Investigation to Anti-Dumping Duty on Countervailing Duty Investigation.

(1) If in the course of an anti-dumping duty or countervailing duty investigation, the administering authority determines that—

(A) the industry or sector of the nonmarket economy country under investigation is not market-oriented, and

(B) there is insufficient verifiable information to determine whether to treat the sale of the merchandise in that country as conducted as an antidumping duty or countervailing duty investigation,

then the administering authority shall terminate the antidumping duty or countervailing duty investigation.

(2) Whenever the administering authority determines under paragraph (1) that an antidumping duty or countervailing duty investigation will be treated as an antidumping duty or countervailing duty investigation, and the administering authority shall terminate the antidumping duty or countervailing duty investigation, and the administering authority shall take into account the evidence of dumping established by the timetable and the method of calculation

(1) the extent to which the country's currency is convertible;

(2) the extent to which wage rates are determined by free bargaining between labor and management; and

(3) the extent to which joint ventures or other investments by foreign firms are permitted.

(3) If in the course of an antidumping duty or countervailing duty investigation, the administering authority has determined that an antidumping duty or countervailing duty investigation has been commenced as an artificial pricing duty investigation, the administering authority shall—

(A) the industry or sector of the nonmarket economy country under investigation is not market-oriented, and

(B) there is insufficient verifiable information to determine whether to treat the sale of the merchandise in that country as conducted as an antidumping duty or countervailing duty investigation,

then the administering authority shall terminate the antidumping duty or countervailing duty investigation.

(4) Whenever the administering authority determines under paragraph (1) that an antidumping duty or countervailing duty investigation will be treated as an artificial pricing duty investigation, and the administering authority shall terminate the antidumping duty or countervailing duty investigation, and the administering authority shall take into account the evidence of dumping established by the timetable and the method of calculation

(1) the extent to which the country's currency is convertible;

(2) the extent to which wage rates are determined by free bargaining between labor and management; and

(3) the extent to which joint ventures or other investments by foreign firms are permitted.
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at which such or similar merchandise is sold
by an eligible market economy foreign pro-
der to—

(i) the United States; or
(ii) if there are not sales to the United
States, sales to countries in countries
other than the United States that are
not market economy countries as de-

(A) a printed material, or a like article,
that is the subject of the investigation,
(B) the export price, or a like article,
to the United States, and
(C) are not subject to an antidumping
or countervailing duty order under sections 736
or 706 respectively against the article, or
a like article, or is the subject of the inves-
tigation during the period of the investiga-
tion.

(6) ADMINISTRATIVE AND JUDICIAL Review
of Determinations.—

(1) ADMINISTRATIVE REVIEW.—

(A) PERIODIC REVIEW.—Paragraph (1)
of section 735(a) of the Tariff Act of 1930 (19
U.S.C. 1675(a)(1)) is amended—

(i) by inserting “an artificial pricing
order” after “1921,”
(ii) by striking “and” at the end of clause
(B),
(iii) by adding “and” at the end of clause
(C),
(iv) by inserting “or at artificial prices”
after “fair value” in clause (C), and
(v) by inserting after clause (C) the fol-
lowing new clause:

“(D) and

(ii) by striking out “or 702(c)” in subpar-
agraph (A)(I) and inserting in lieu thereof
“702(e), or 743(c)”; and

(ii) by striking out “or 735” in clauses (I)
and (II) of subparagraph (B) and inserting in lieu thereof
“733(a), or 743(b)”;

(i) by striking out “or 735” in subparagraph
(A)(II) and inserting in lieu thereof
“733(b), or 743(b)”;

(ii) by striking out “or 733(a)” in sub-
paragraph (A)(III) and inserting in lieu thereof
“733(a), or 743(a)”;

(i) by striking out “or 733” in subparagraph
(A)(I) and inserting in lieu thereof
“733(b), or 743(b)”.

(B) REVIEWABLE DETERMINATIONS.—Para-
graph (2) of section 716(a) of the Tariff
Act of 1930 (19 U.S.C. 1516(a)(2)) is amended

(i) by striking out “or countervailing
in subparagraph (A)(II) and inserting in lieu thereof
“countervailing, or artificial pric-
ing”,

(ii) by striking out “or 735” in clauses (1)
and (II) of subparagraph (B) and inserting in lieu thereof
“735, or 745”; and

(iii) by striking out “or 734” in subpara-
graph (B)(W) and inserting in lieu thereof
“734, or 744”.

(C) TECHNICAL AND CONFORMING AMEND-
MENTS.—

(1) Subsection (c) of section 773 of the
Tariff Act of 1930 (19 U.S.C. 1777(b)(c)) is re-
pelled.

(2) Subsection (f) of section 303 of such
Act (19 U.S.C. 1603(f)) and subsection (c) of
section 701 of such Act (19 U.S.C. 1671(e)) are each ame-

(A) by inserting “(1)” before “For”;

(B) by inserting at the end thereof the fol-
lowing new paragraph:

“(2) For provisions of law applicable in
the case of a product of a nonmarket econ-
omy country, see subtitle C of title VII of
this Act.”.

(3) Section 731 of such Act (19 U.S.C.
1673) is amended—

(A) by inserting “(a)” in general—

before “1”;

(B) by adding at the end thereof the fol-
lowing new subsection:

“(C) CROSS REFERENCE—

“For provisions of law applicable in the case of
a product of a nonmarket economy country, see
subtitle C of title VII of this Act.”

(e) CEREMONIAL AMENDMENT.—The table of
contents for title VII of the Tariff Act of 1930 is amended by redesignating subtitles
C and D as subtitles D and E, respectively,
and by inserting after the items relating to
WILSON (AND OTHERS)

AMENDMENT NO. 4268

Mr. WILSON (for himself, Mr. CRAN-
STON, Mr. STEVENS and Mr. INOUYE
proposed an amendment to amend

(Mr. WILSON) in the bill H.R. 3383, supra; as

Vis: At the appropriate place in the bill,

Insert the following:

“Sec. 10. Subpart C of part 3 of Schedule
1 of the Tariff Schedules of the United
States (19 U.S.C. 11202) is amended as

(1) Immediately following item 112.3400,
strike out “Tuna” and all that follows up to,
but not including, item 112.36; and

(2) In item 112.3640, insert immediately
after ‘other’, ‘not including articles

described in item 112.9000’;

Then in the heading immediately before item
112.4600, insert immediately after ‘oil’, ‘unless
otherwise specified’; and

(4) In item 112.9000, insert immediately
after ‘tuna’, ‘prepared and preserved in any
manner, in oil and not in oil’.

(b) The amendments made by section
shall apply to articles entered or with-
drawn from warehouse for consumption, on
or after the date of enactment of this Act.”

PENALTIES FOR MALICIOUS OR
WILLFUL INTERFERENCE WITH
COMMUNICATIONS

GOLDWATER AMENDMENT NO. 4269

(Ordered referred to the Committee
on Commerce, Science, and Transpor-

Mr. GOLDWATER submitted an
amendment intended to be proposed
by him to the bill (S. 2975) to amend
the Communications Act of 1934 to
eliminate willful or malicious inter-

September 18, 1984
en with communications, and for other purposes; as follows:

On page 2, strike Section 3 between lines 5 and 26 and substitute the following new Section 3:

Sec. 3. Section 510(a) of the Communications Act is amended by inserting "(1)" before the word "Any" and adding at the end thereof a new paragraph "(2)" as follows:

"(2) Any electronic, electromagnetic, radio frequency, or other device or component thereof within the control of any person accused by the Commission of an alleged criminal violation of section 333 of this Act or rules prescribed thereunder, and capable of emitting the radiation alleged to violate such section or rules, may, after issuance of written notice delivered by certified or registered mail or in person, of such alleged violation, be seized by the United States where there exists reasonable belief that seizure is necessary to prevent continued willful or malicious interference to any radio communication. Such equipment is subject to forfeiture to the United States upon conviction of such person rendered in United District Courts in violation of section 333. For purposes of this paragraph 'reasonable belief' shall be deemed to exist."

OMNIBUS TRADE ACT

GOLDWATER AMENDMENT NO. 4270

(Ordered held at the desk.)

Mr. GOLDWATER submitted an amendment intended to be proposed by him to amendment No. 4244 proposed by Mr. DANFORTH to the bill H.R. 3398, supra, as follows:

At the end of Title IV, add the following:

Sec. 404. DUTY ON SUBSIDIZED CONCRETE BLOCK AND BRICK.

Subpart A of part 1 of schedule 5 of the Tariff Schedules of the United States (19 U.S.C. 1202) (as amended by sections 402 and 403 of this Act) is further amended by inserting after headnote 3 the following new headnote:

"3. For the purpose of headnotes 2 and 3, the true value of fuel or energy shall be the first of the following that can be determined:

(a) The price at which the fuel or energy is freely sold or, in the absence of sales, offered for sale to unrelated purchasers for exportation; or

(b) An arm's-length price consisting of the amount that was charged or would have been charged in arm's-length transactions with or between unrelated parties in a relevant and uncontrollable market.

SEC. 405. PROCEDURES.

The duty imposed under headnote 2 or 3 to subpart A of part 1 of schedule 5 of the Tariff Schedules of the United States (19 U.S.C. 1202) (as added by sections 402 and 403 of this Act) shall be imposed, under regulations prescribed by the administering authority, in accordance with the provisions of sections 702(b)(1) and (c), 702(b), (d)(1), (d)(2), and (f), 708(a)(1), (c)(1)(B), (c)(2), and (d), 706(a), 707, and 781(a)(1), (b), (c), and (d) of the Tariff Act of 1930, except that a petition shall allege the elements necessary for the imposition of the duty under such headnote, all references to a countervailing duty shall be considered to refer to the duty under such headnote, all references to a net subsidy shall be considered to refer to the amount of the manufacturing cost reduction attributable to the provision of fuel or energy at less than its true value (as determined in accordance with headnote 4 to such subpart A), and no determination by the United States International Trade Commission shall be required.

SEC. 406. JUDICIAL REVIEW.

Subparagraph (B) of section 516A(a)(2) of the Tariff Act of 1930 (19 U.S.C. 1516a(a)(2)) is amended by inserting after clause (v) thereof the following new clause:

"(v) A final determination by the administering authority under section 405 of the Cement, Cement Clinker, and Concrete Block and Brick Fair Trade Act of 1983."
SEC. 405. EFFECTIVE DATE.
(a) Effective date.--In subsection (b) of this section, the amendments made by this Act shall take effect on the date of enactment of this Act.

(b) With respect to--
glumms produced within a country as to which an investigation under section 701 of the Tariff Act of 1930 involving an alleged subsidy on the production or exportation of cement, cement articles, or concrete block or brick involving the provision by a government or a State-owned or controlled enterprise of fuel or power at less than its true value, or an appeal of a final determination on order in such an investigation, is pending on the date of enactment of this Act, the provisions of this Act shall be effective with respect to unliquidated entries entered, or withdrawn from warehouse for consumption, on or after the date of the filing of the petition in such investigation, if a petition under section 406 of this Act is filed with respect to such merchandise within 90 days after such date of enactment.

GORTON (AND OTHERs) AMENDMENT NO. 4272
(Ordered to lie on the table)
Mr. GORTON (for himself, Mr. EVANS, Mr. RotTo, Mr. HEINZ, Mr. ANDREWs, and Mr. BosCWIz) submitted an amendment intended to be proposed by them to the bill H.R. 3398, supra; as follows:

Add at the end of amendment No. 4244 insert the following:

TITLE IV--SPACE TAX EQUALIZATION
SEC. 491. SHORT TITLE.
This title may be cited as the "Space Tax Equalization Act of 1984".

SEC. 492. TREATMENT OF CERTAIN SPACE ACTIVITIES.
For purposes of--
(1) the tax credit determined under section 46(a) of the Internal Revenue Code of 1954 and aforesaid by section 38 of such Code, (2) the provisions contained in part 1 of subchapter 1 of chapter 1 of such Code (relating to the determination of sources of income), (3) the provisions of the Tariff Schedules of the United States, and (4) any other provision of any tax or customs law of the United States, activity performed in space for United States persons on any spacecraft which is predominantly used or operated in space and is controlled from locations within the United States, articles produced in space primarily for sale or use within the United States upon any such spacecraft, and assets used or operated in space upon any such spacecraft (including such spacecraft) shall be treated as activities performed within, articles produced within, and assets used or operated within, the United States.

SEC. 493. SPECIFIC IMPLEMENTING AMENDMENTS.
(a)(1) Subparagraph (B) of paragraph (2) of section 46(c) of the Internal Revenue Code of 1954 (relating to exceptions to the rule with respect to section 38 property used predominantly outside the United States) is amended by inserting after clause (x) the following new clause:
"(xii) any tangible personal property--
"(I) which is predominantly used or operated in space, and
"(II) which either is a qualified spacecraft within the meaning of section 661(a)(3) or is used or operated upon such a qualified spacecraft.

(2) Such subparagraph (B) is amended--
(i) by striking out "and" as the end of clause (x), and
(ii) by striking out the period at the end of clause (xi) and inserting in lieu thereof "; and"

(3) The amendments made by this subsection shall apply with respect to property placed in service after December 31, 1984.

(b)(1) Paragraph (2) of section 168(c) of the Internal Revenue Code of 1954 (relating to rules for the type of property which qualifies for the accelerated cost recovery system to recovery property) is amended by adding at the end thereof the following new subparagraph (G):
"(G) Property used in space.—Any tangible property used in space shall be treated as 5-year property of a character subject to the allowance for depreciation.

(2) The amendments made by this subsection shall apply with respect to property placed in service after December 31, 1984.

(c)(1) Section 861 of the Internal Revenue Code of 1954 (defining income from sources within the United States) is amended by adding at the end thereof the following new subsection:
"(c) Certain Income Derived From Commercial Activity in Space Treated as Income from Sources Within the United States.—
"(1) In general.—Amounts includable in gross income of the taxpayer which are attributable to income received by the taxpayer—
"(A) from the disposition of an interest in property produced aboard a qualified spacecraft for the taxpayer's personal use for sale or use within the United States,
"(B) for the use, or the privilege of using, property or an interest in property of the taxpayer aboard a qualified spacecraft, or
"(C) as compensation for services performed by the taxpayer aboard a qualified spacecraft, shall be treated as income from sources within the United States in the manner provided in paragraph (2).

"(2) Treatment of Income Described in Paragraph (1).—Income described in paragraph (1) shall be treated as income from sources within the United States in the same manner and to the same extent as such income would be so treated if—
"(A) in the case of income referred to in paragraph (1)(A), the property produced in such paragraph had been produced within the United States,
"(B) in the case of income referred to in paragraph (1)(B), the property or interest in property described in such paragraph had been located or used within the United States, or
"(C) in the case of income referred to in paragraph (1)(C), the services described in such paragraph had been performed within the United States.

"(3) Qualified Spacecraft Defined.—For purposes of this subsection, the term "qualified spacecraft" means any craft which—
"(A) is predominantly used or operated in space, and
"(B) is controlled from locations within the United States.

The Secretary shall publish regulations describing the circumstances under which a spacecraft shall be treated as controlled from locations within the United States.

(2) The amendment made by this subsection shall apply to taxable years beginning after December 31, 1984.

(d)(1) Headnote 5 of the general headnotes of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended—
"(A) by striking out "media; and" in subdivision (e) and inserting in lieu thereof "media; or"
"(B) by adding after subdivision (e) the following new subdivision:
"(f) articles returned from space within the purview of section 484a of this Act; and"
"(C) by redesignating subdivision (f) as subdivision (g).

(2) Part III of title IV of the Tariff Act of 1930 (19 U.S.C. 1461 et seq.) is amended by adding the following new section:
"Sec. 484a. ARTICLES RETURNED FROM SPACE NOT TO BE CON­STRUED AS IMPORTATION.
"The return of articles from space shall not be considered an importation and an entry of such articles shall not be required if—
"(1) such articles were previously launched into space from the customs territory of the United States aboard a spacecraft operated by, or under the control of, United States persons and owned—
"(A) wholly by United States persons, or
"(B) in substantial part by United States persons, or
"(C) by the United States; or
"(2) such articles were maintained or utilized while in space solely on board such spacecraft or aboard another spacecraft which meets the requirements of paragraph (1)(A) through (C) of this section; and
"(3) such articles were returned to the customs territory directly from space aboard such spacecraft or aboard another spacecraft which meets the requirements of paragraph (1)(A) through (C) of this section; without regard to whether such articles have been advanced in value or improved in condition by any process or manufacture or other means while in space.

(3) The amendments made by this subsection shall apply with respect to articles launched into space from the customs territory of the United States on or after December 31, 1984.

TELEVISION AND RADIO COVERAGE OF SENATE PROCEEDINGS

RANDOLPH AMENDMENT NO. 4273
(Ordered to lie on the table.)
Mr. RANDOLPH submitted an amendment intended to be proposed by him to the resolution (S. Res. 86) to establish regulations to implement television and radio coverage of the Senate; as follows:

At the end of the resolution add the following: It is a standing order of the Senate that during yes and nay votes in the Senate, each Senator shall vote from the assigned desk of the Senator.

HEINZ AMENDMENT NO. 4274

(Ordered referred to the Committee on Labor and Human Resources.)

Mr. HEINZ submitted an amendment intended to be proposed by him to the bill (S. 2568) to clarify the application of title IX of the Education Amendments of 1972, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and title VI of the Civil Rights Act of 1964; as follows:

On page 10, after line 2, add the following:

TITLE II—EQUAL EMPLOYMENT OPPORTUNITY COMMISSION SHORT TITLE

Sec. 201. That this title may be cited as the "Equal Employment Opportunity Reorganization Act".

TRANSFER OF EQUAL PAY ENFORCEMENT FUNCTIONS

Sec. 202. All functions related to enforcing or administering section 6(d) of the Fair Labor Standards Act, as amended (29 U.S.C. 204), are hereby transferred to the Equal Employment Opportunity Commission. Such functions include, but shall not be limited to, the functions relating to equal pay administration and enforcement now vested in the Secretary of Labor, the Administrator of the Wage and Hour Division of the Labor Department, and the Personnel Management (formerly the Civil Service Commission) pursuant to sections 4(d)(1), 4(f), 9, 11(a), (b), and (c); 16(b) and (c); and 17 of the Fair Labor Standards Act, as amended (29 U.S.C. 204(d)(1); 204(f); 209; 211(a), (b), and (c); 216(b) and (c); and 217) and section 10(b)(1) of the Portal-to-Portal Act of 1947, as amended (29 U.S.C. 259).

TRANSFER OF AGE DISCRIMINATION ENFORCEMENT FUNCTIONS

Sec. 203. All functions vested in the Secretary of Labor in the Office of Personnel Management (formerly the Civil Service Commission) pursuant to sections 4, 7, 8, 9, 10, 11, 12, 13, 14, and 15 of the Age Discrimination in Employment Act of 1967, as amended (29 U.S.C. 621, 622, 628, 623, 626, 629, 630, 631, 632, 633, and 634), are hereby transferred to the Equal Employment Opportunity Commission.

TRANSFER OF EQUAL OPPORTUNITY IN FEDERAL EMPLOYMENT ENFORCEMENT FUNCTIONS

Sec. 204. (a) All equal opportunity in Federal employment functions vested in the Office of Personnel Management (formerly the Civil Service Commission) pursuant to section 717(b) and (c) of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000e-16 (b) and (c)), are hereby transferred to the Equal Employment Opportunity Commission.

(b) The Equal Employment Opportunity Commission may delegate to the Merit Sys-
cult are jeopardized. Each of those cases involves the employment rights of older Americans, who by law are guaranteed the opportunity to have their grievances redressed in a fair and prompt manner.

Furthermore, the second circuit's decision could have negative consequences on the 150 ADEA cases pending in other circuit courts nationwide. Ultimately, failure to restore the EEOC's enforcement authority means that 23 million older Americans would be without legal protection against age discrimination in employment. I might add, Mr. President, that the court recognized the potential harm that could result from its decision and, therefore, stayed filing its decision until December 31, 1984, suggesting that this would give Congress an opportunity to enact corrective legislation. That is the reason for this amendment: To reaffirm the EEOC's authority to enforce the ADEA and other statutes.

Mr. President, as you know, the Senate Aging Committee has had a longstanding interest in policies and legislation that promote continued employment opportunities for older persons who wish to work and able to work. Age discrimination in employment continues to be a major reason why middle-aged and older workers are systematically excluded from the opportunity to work. The first legislative response to this concern was the ADEA.

During the first 10 years after its enactment, enforcement of the ADEA was the responsibility of the Department of Labor. In 1979, by Executive order, enforcement responsibility for the ADEA shifted from DOL to the EEOC. Age discrimination charges now constitute a significant portion of the EEOC's caseload. Indeed, the age-related jurisdiction is the fastest growing of all civil rights enforcement statutes. A report by the EEOC placed the number of age-related charges filed during fiscal year 1983 at 15,303. The magnitude of the problem of age discrimination, as well as the increasing importance of enforcement measures designed to combat such discriminatory practices, underscores the necessity for the EEOC to have clear authority to enforce the ADEA.

I urge my colleagues to join me in support of this amendment.

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OMNIBUS TRADE ACT

WARNER AMENDMENT NO. 4275

Mr. BAKER (for Mr. WARNER) proposed an amendment to amendment No. 4244, the amendment to the bill H.R. 3398, supra; as follows:

On page 22 of the matter proposed to be inserted, line 12, strike out "Subpart B" and insert in lieu thereof "(a) Subpart B" and

(a) On page 22 of such matter, in the matter after line 13, strike out "12/31/88" and

insert in lieu thereof "the termination date".

On page 22 of such matter, at the end of the page, add the following:

(b) The headnotes to subpart B of part 1 of the Appendix are amended by adding at the end thereof the following new headnote: "7. For purposes of item 907.32, the term 'termination date' means the earlier of—" (i) December 31, 1988, or

(ii) the date one year after the date on which the Secretary of the Treasury publishes in the Federal Register notice of the production of tetraamino biphenyl in the United States."

NOTICES OF HEARINGS

SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATION

Mr. LUGAR, Mr. President, I wish to announce that the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture, Nutrition, and Forestry has scheduled a hearing on S. 2916, a bill to amend the Agriculture and Food Act of 1981 to provide protection for agricultural purchasers of farm products.

The hearing will be held on Wednesday, September 26, 1984, at 9:30 a.m., in room 328-A, Russell Senate Office Building.

For further information please contact the Agriculture Committee staff at 224-0014 or 224-0017.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON PUBLIC LANDS AND RESERVED WATER

Mr. BAKER, Mr. President, I ask unanimous consent that the Subcommittee on Public Lands and Reserved Water, of the Committee on Energy and Natural Resources, be authorized to meet during the session of the Senate on Tuesday, September 18, at 9:30 a.m., to hold a hearing to consider S. 2916, to designate certain additional National Forest lands and National Park lands in the State of Colorado as components of the National Wilderness Preservation System; and S. 2917, to designate certain additional forest lands in the State of Colorado for inclusion in the National Wilderness Preservation System for recreational purposes.

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

ADDITIONAL STATEMENTS

THE HONORABLE JOHN M. MAURY, JR.

Mr. GOLDWATER, Mr. President, earlier this year, Jack Anderson published an article in the Washington Post titled "CIA Official Returned Favor to Hill Critics." In this article, Anderson wrote about the late John M. Maury, Jr., a distinguished Virginian who served as a Marine Corps officer in World War II, was the CIA station chief in Athens in the 1960's, later served in the congressional liaison offices of both the CIA and the Department of Defense, and was twice president of the Association of Former Intelligence Officers.

John Maury was well known to me and to the Senate Select Committee on Intelligence. When he died last
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year, the late Senator Henry "Scoop" Jackson, a distinguished Member of our committee and of the Senate, had the following to say about him:

For many years, I knew Jack Maury as a reliable friend and effective public servant. He gave the greater part of his life to the cause of freedom and a just peace—and he did so as an independent and staunch friend of the service of his country. We shall miss him. He represents the kind of patriot we need today more than ever before.

In this article, Jack Anderson referred to an essay which John Maury wrote over a decade ago, and stated that this essay proved Maury's disdain for the Congress. Anderson went on to say that, while John Maury still serves at the Agency, the Congress instinctively suspects that whenever an Executive Agency pleads national security as an excuse for withholding information, the purpose is merely to cover up mischiefs or inefficiency. In the case of an agency involved in foreign intelligence, the problem is further complicated by traditional American squeamishness about the morality of spying in peacetime—reading other people's mail, or subverting other people's loyalties. And sometimes our own poor judgment or clumsy tradecraft have contributed to Congressional suspicions that many of our activities are counter-productive or create unnecessary irritants in the nation's foreign relations.

Our problem then is whether an organization like CIA can operate in American society without being professionally ineffective, or so secret as to be politically unacceptable.

In the early days of the Agency, this problem was not so pressing. The Agency was created as a time when the nation was haunted by the disastrous lack of warning of the Pearl Harbor surprise. The American public, becoming dimly aware of the nature and scope of the post-war Soviet threat and implications of the Cold War, and when, for the first time in our history, we found ourselves involved in a staunch and strong standing between us and a possible major adversary. All of this, coupled with widespread security commitments—military, economic, and political—made it obvious that if we were to bear our newly acquired responsibilities in the world and defend our national interests, we would need a far more sophisticated set of eyes and ears abroad than anything we had enjoyed in the past.

In the view of the general public, and of the Congress which in the main reflected the public attitude, a national intelligence service in those days was more or less a part and parcel of our overall defense establishment. Therefore, as our defense budget went up during the post-Congress under the impact of the extension of Soviet power into Eastern Europe, Soviet probes into Iran and Greece, to be followed eventually by the Korean War, the relatively modest CIA budget in effect got a free ride, buried as it was in the Defense and other budgets. When Directors appeared before the Congress, which they did only rarely, the main concern of the members was often to make sure we had what we needed to do our job.

All of this now seems long ago. In recent years the intelligence community, and particularly CIA, have, along with the Defense and State Departments, borne the brunt of Congressional suspicion and frustration resulting from unpopular and burdensome foreign wars. For days we lived in a black and white world. We knew we were the good guys, and we knew who the bad guys were, and it was widely recognized that we needed a good intelligence service to take care of ourselves. It was also widely assumed that, in addition to intelligence gathering, the Intelligence Community must subversion and give the Communists some of their own medicine in the area of politics and psychological warfare. In the early 1950s there was much talk about how something called the "international Communist conspiracy" had been the main instrument for spreading Soviet influence throughout Eastern Europe and paving the way for Communist takeovers in other parts of the world. Accordingly, it was suggested by eminent Washington statesmen that we did not develop a sufficient capability of our own which would roll back the Iron Curtain to pre-war Soviet frontiers, and perhaps stimulate nationalistic uprisings among the peoples of the Baltic States, Byelorussia, and the Ukraine.

The late Chip Bohlen has noted the fallacy in this thesis by pointing out that the Kremlin has not gained effective control of a foot of territory since 1917 without the use of threat of superior force, and that covert action, while a useful supplement to overt military and diplomatic measures, can never be a substitute for them. In the early days of the Agency, this national failure to appreciate this point led to a certain amount of excessive and romantic zeal, and as a consequence, the sense of suspicion among those who feared that ill-considered political action ventures might get out of hand.

More recently the pendulum has swung the other way. We no longer see the world as black and white, but in numerous shades of gray. We know that there are good guys or that any others in particular are especially bad guys. We have learned that the other military might, if they do not show there must be a scoundrel amongst them, or perhaps several scoundrels. In Joe McCarthy's day, the chief scoundrels included General Marshall, a few hapless Foreign Service officers, and an Army dentist. More recently, the scoundrels have been the people who got us into the "illegal" war in Indochina, or who have somehow been vaguely associated with one or another of the Watergate affair. Whatever the immediate popular frustration may be, whether directed at the generals in the Pentagon, or the diplomats in the State Department, or the Watergate in the administration, chances are someone will find a way to implicate CIA.

We know that everyone is prepared to believe wild stories about "spy agencies"; second, because the media can't tolerate an organization that refuses to share with them all of its secrets; and, third, because we cannot refute the allegations against us without revealing sensitive details about our organization, our activities, and especially our "sources and methods" which the Director is enjoined by law to protect.

Therefore, the Agency still operates under something of a cloud of suspicion. Unless we can publicly prove our innocence of the charges leveled, suspicion will persist. But it now is clear that we are here to stay. We are no longer viewed by the public as a special police-organization which would soon go the way of other committees, boards, administrative organizations, and so forth, that temporarily proliferated in times of crisis and were eventually gobbled up or pushed aside by the entrenched bureaucracies of the old-line departments. In the past several years, CIA has indeed acquired a clear identity on the
national scene. For better or worse, we are in the news almost daily. In the public eye we are no longer obscure, and intelligence operations and personnel are no longer cloistered away from the public eye. Although they may remain somewhat sinister. But in any event we are very much a part of the national establishment. Intelligence activities do not remain in the same political currents as the other elements of the Executive Branch.

I sometimes think we are somewhat clouded over by this prospect. Both Dick Helms and Bill Colby have made the point before Congress committees that the Agency has some competence. It has intelligence requests—they may have fallen victim to foul play abroad, or interceding with local authorities to arrange the release of American citizens or members of another offense in foreign countries.

Many requests from individual members of the Congress are quite straight-forward informational requests. They simply be brought up to date on a problem in which the Agency has some competence. It may concern the political situation in a certain foreign country, or how certain Soviet nuclear warheads are dispersed in the Middle East; or it may be the spring wheat crop in Eastern Europe. Their questions may arise as a result of something that has happened or could happen to a certain individual. Members of Congress have some competence, or it may be connected with a forth-coming trip which they are planning to make to that area. On the average, Agency officers give perhaps a hundred individual briefings a year in response to such specific requests.

Our most important business on the Hill, however, is conducted with the several committees. In recent years the Director or Deputy Director has averaged some thirty to thirty-five committee appearances annually. Most of these have been before the Agency Oversight Committees—or rather Subcommittees of the Appropriations and Armed Services Committees of the House and Senate. However, increasingly the Director or Deputy Director has averaged some thirty-five committee appearances annually. Most of these have been before the Agency Oversight Committees—or rather Subcommittees of the Appropriations and Armed Services Committees of the House and Senate. However, increasingly the Director or Deputy Director has averaged some thirty-five committee appearances annually. Most of these have been before the Agency Oversight Committees—or rather Subcommittees of the Appropriations and Armed Services Committees of the House and Senate. However, increasingly the Director or Deputy Director has averaged some thirty-five committee appearances annually. Most of these have been before the Agency Oversight Committees—or rather Subcommittees of the Appropriations and Armed Services Committees of the House and Senate. However, increasingly the Director or Deputy Director has averaged some thirty-five committee appearances annually. Most of these have been before the Agency Oversight Committees—or rather Subcommittees of the Appropriations and Armed Services Committees of the House and Senate. However, increasingly the Director or Deputy Director has averaged some thirty-five committee appearances annually. Most of these have been before the Agency Oversight Committees—or rather Subcommittees of the Appropriations and Armed Services Committees of the House and Senate. However, increasingly the Director or Deputy Director has averaged some thirty-five committee appearances annually. Most of these have been before the Agency Oversight Committees—or rather Subcommittees of the Appropriations and Armed Services Committees of the House and Senate. However, increasingly the Director or Deputy Director has averaged some thirty-five committee appearances annually. Most of these have been before the Agency Oversight Committees—or rather Subcommittees of the Appropriations and Armed Services Committees of the House and Senate. However, increasingly the Director or Deputy Director has averaged some thirty-five committee appearances annually. Most of these have been before the Agency Oversight Committees—or rather Subcommittees of the Appropriations and Armed Services Committees of the House and Senate. However, increasingly the Director or Deputy Director has averaged some thirty-five committee appearances annually. Most of these have been before the Agency Oversight Committees—or rather Subcommittees of the Appropriations and Armed Services Committees of the House and Senate. However, increasingly the Director or Deputy Director has averaged some thirty-five committee appearances annually. Most of these have been before Congress committees on any matter within the Agency's competence and within the compass of the committee's jurisdiction.

In talking to various Agency groups about our Congressional relations in recent years, I have found that members of Congress are interested, and often disturbed, to learn of the extent of our current involvements with the Congress. Few seem to know that over the last several years, we've received an average of over a thousand written communications annually from individual members or committees. Letters endorsing an applicant for employment. Probably the bulk of the remainder are also more or less routine, involving letters of interest to foreign governments, Congress does not exercise tighter oversight over the Agency, why our budget cannot be made public, and many of the criticisms about assassination and derring-do are accurate, and so forth. But a week rarely passes in which the Agency is not involved in routine Congressional briefings of the kind I've described, it has been Agency policy to maintain oversight from the Congress on any matter within the Agency's competence and within the committee's jurisdiction. So far as the Agency's Subcommittees of the Appropriations and Armed Services Committees of the two Houses are concerned, no holds are barred. These small subcommittees are generally made up of the senior members of the full committees and have free access to any information they wish, not only of an intelligence nature, but about the inner workings of the Agency, including specific operations, budgets, personnel strength and so forth. Also, one or two key staff members of these subcommittees have all of the clearances necessary for similar access. The members themselves are not invited to briefings, or to any Committee. Thus there are no problems with regard to what material to provide to our Oversight Subcommittees. The problems arise in dealing with other committees, especially where evidence may have implications for Agency matters impinge on problems where the committees feel legitimately concerned. For example, the Foreign Relations Committees of the House and Senate, and the Armed Services Committees of the House Foreign Affairs Committee may call for an Agency explanation of allegations of Agency involvement with certain multinational corporations. Or Senator Fulbright may want to know whether the Agency has developed a new weapon. The average Agency officer might be able to tell him no extent that would jeopardize détente.

Where operational details are involved—especially those relating to sensitive sources and methods—the Agency's policy is to withhold such information from the Congress. But there are some details which can be made public, and under adequate safeguards. Such information might be useful, for example, to a congressional committee, and would not affect the success or the survival of the operation. The pertinence and public value of such information, however, would have to be weighed against the possible damage to the operation, or to the Allies, or to the reputation of the Agency. In the past, such information has been provided only to the appropriate committees of the Congress, and only on an anonymous basis. However, the time is coming when the Agency Subcommittees will have to make public much of their information, in the public interest. The Agency should not be afraid to make public the positive roles it has played in the national defense. That is why we are publishing this report, and why we are publishing these facts.
Senate were briefed on the matter on a total of 25 occasions. The point is that no Agency or any other covert action abroad can best be served by the State Department or other overt agencies, and that any resort to clandestine means is proof of a sinister purpose.

The more conservative members, on the other hand, usually have no quarrel in principle with the concept that the chiefs of state even in the most democratic countries have for centuries felt the need of a covert capability of some kind in the conduct of their foreign relations. But many of these more conservative members, and particularly those on the Agency Oversight Subcommittees, often question whether covert action should be the responsibility of an agency whose primary purpose, in their view, is the collection and analysis of intelligence. Several of these members have, in subcommittee hearings, expressed a strong view that Agency involvement in such activities, as the double-edged purpose is to give a new dimension in the National Security Agency, the National Students' Association, or Radio Liberty and Radio Free Europe are far too unwieldy and inherently insecure to be properly made the responsibility of an organization which depends for its effectiveness on its secrecy and anonymity. These members feel that this can best be done by creating for them a separate foreign operations organization that would primarily provide reliable national intelligence for the guidance of our policymakers in designing the foreign policy of foreign nations and have a full membership of the Congress through the facilities of the Armed Services and Foreign Operations Committees, and which they simply sought to impose upon the Agency a statutory obligation to keep certain committees fully informed on matters within the purview of the Committee that was to become even more sensitive and more concerned is being expressed on the Hill to get the benefit of the Agency's intelligence. The Agency has a growing reputation for competence and credibility.

When such controversial issues as the ABM program, the world oil situation, SALT, and Mutual Balanced Force Reductions are at issue, it is only natural that a number of members of Congress other than those who are members of the Agency's Oversight Subcommittee's should want up-to-date intelligence. In general, it is not so much to clip the Agency's wings, but rather to get access to the Agency's intelligence product, and several legislative proposals have recently been introduced to serve this purpose. Some of these have gone so far as to propose that all intelligence produced by the Agency be made available to the Congress. Perhaps a full membership of the Congress through the facilities of the Armed Services and Foreign Operations Committees, and which is being sought to impose upon the Agency a statutory obligation to keep certain committees fully informed on matters within the purview of the Committee that was to become even more sensitive and more concerned is being expressed on the Hill to get the benefit of the Agency's intelligence. The Agency has a growing reputation for competence and credibility.

Another area of Congressional concern, which has reached acute proportions within the past year or so, involves Agency domestic activities. This all started as a tempest in a teapot when a certain political figure discovered that the Agency had provided some quite innocuous briefings to a metropolitan police force in a large American city. From the press accounts that emerged from this discovery, one would assume that the Agency's local police forces involvement in the more sophisticated techniques of brutality, torture, and terror. In fact, all we were given to understand is the benefit of our experience with the handling of information, and passing on to them a few tips about how to identify and deal with the foreign weapons and explosives that were being used by alien terrorists. But even the more rational members of Congress have recently been giving in to the temptation to question how carefully the Agency observes its statutory restriction against any sort of police, sub­ poenas, law enforcement, or internal security functions. They apparently feel there is something essentially unhealthy about any Agency member in foreign operations abroad carrying on operational activity within the United States.

With little critical or suspicious regarding the Agency's covert action and paramilitary activities, uneasy about suspected domestic involvement of British Intelligence, and increasingly frustrated over the secrecy which protects the Agency's budget, the Congress generally seems to respect the Agency's record in the collection and analysis of intelligence information. They have noted increasingly in recent years the candor and professionalism of the Agency's intelligence briefings, and the scrupulous care exercised by the Agency in maintaining its objectivity in handling highly controversial subjects of major political significance.

It therefore seems clear that where collection and production of intelligence is concerned, the Agency has a long way to go. In general, it is not so much to clip the Agency's wings, but rather to get access to the Agency's intelligence product, and several legislative proposals have recently been introduced to serve this purpose. Some of these have gone so far as to propose that all intelligence produced by the Agency be made available to the Congress. Perhaps a full membership of the Congress through the facilities of the Armed Services and Foreign Operations Committees, and which is being sought to impose upon the Agency a statutory obligation to keep certain committees fully informed on matters within the purview of the Committee that was to become even more sensitive and more concerned is being expressed on the Hill to get the benefit of the Agency's intelligence. The Agency has a growing reputation for competence and credibility.
reason for our concern over security. Often they take the attitude that nearly everything is a threat and, therefore, that we have just attended an Agency briefing on the one hand, and a revelation by a responsible member of the Armed Services Committee, on the other. If I thought the KGB spent its time trying to analyze and evaluate every story put out by Jack Anderson, I wouldn't worry too much. But when a senior member of the Armed Services or Foreign Relations Committee appears on "Meet the Press" and talks about how much we know about Soviet missiles or submarines, odds are that the KGB assumes he's basing his comments on the best available intelligence information.

We have also found it useful sometimes to remind the members of the Director's statutory responsibility for the protection of intelligence sources and methods from unauthorized disclosure. It's worth pointing out that not only does this responsibility exist by law, but we are in a business which essentially involves a number of fiduciary relationships. We are already the most open major democracy in the world in some of the oldest democracies, such as the U.K. and the Scandinavian countries, neither the public nor the press, nor the politicians are supposed to know the identities of the chiefs of the local service or the location of its headquarters. References to its activities rarely appear in public. Because we are determined to play the game according to American standards, we are already so overt that we have to be as discreet about it as we start. Therefore it is extremely difficult for us to live up to the obligations implicit in our delicate fiduciary relationships with our sources and collaborators—be they individual agents, friendly liaison services, covert operations or indeed friendly governments—be they placed in secret or in open jeopardy if certain of our special relationships with them, or activities which they permit us to carry out on their soil, ever become public.

Another point sometimes worth making in trying to impress upon Congressional members the distribution of intelligence tasks, and the importance of protecting our security, is to remind them that the U.S. Senate is the only one of the three branches of government that is not a closed body. We have all had the experience of a SALT agreement had it not been confident of our professional integrity by avoiding involvement in partisan debate, we have the problem of maintaining our political integrity—or perhaps, more accurately, apolitical integrity. Should the either the liberal or the conservative blocs in the Congress generally of conservative bent, who lack the time and interest to maintain adequate oversight. The Subcommittees are charged with failure to hold a strict accounting of how the Agency spends its appropriated funds, failure to assure adequatedebian, we alienate the hawks. There is no insurance against these hazards, but the only way to keep them within tolerable proportions is to continue to display, in all of our intelligence presentations, the highest degree of professional objectivity and intellectual integrity.

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The inevitable result is that most of our Subcommittee members simply do not know the full details about what we are doing, and why we are doing it, and how we are doing it, and that they probably should, and that we in the Agency would be glad to have them know. In terms of efficiency, a democratic parliamentary body is certainly a far superior instrument to the American model in this area. It is clear to me that if the subcommittees made up of younger members would find more time to devote to their business, and that they would have constructive contributions to the conduct of Agency management and policy guidance. Moreover, younger members should probably be on the Subcommittees. We have a group of broadly representative Americans struggling to find a tolerable compromise between the demands of their constituents, the pressures of the media and special interests, the expectations of their colleagues, and the dictates of their consciences.

In sum, to resolve such conflicts on the basis of the limited mental and moral resources with which the Creators have been fit to endow them must indeed be a test of man's integrity. But in some of the oldest democracies, such as the U.K. and the Scandinavian countries, neither the public nor the press, nor the politicians are supposed to know the identities of the chiefs of the local service or the location of its headquarters. References to its activities rarely appear in public. Because we are determined to play the game according to American standards, we are already so overt that we have to be as discreet about it as we start. Therefore it is extremely difficult for us to live up to the obligations implicit in our delicate fiduciary relationships with our sources and collaborators—be they individual agents, friendly liaison services, covert operations or indeed friendly governments—be they placed in secret or in open jeopardy if certain of our special relationships with them, or activities which they permit us to carry out on their soil, ever become public.

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The older members also occasionally suffer from a decreasing attention span, and particularly in afternoon sessions are prone to intermittent dozing, slurred faculties sometimes take their toll. I recall one elderly chairman, when shown a chart of various categories of covert action, reacted sharply and demanded to know "what the hell are you doing in covert parliamentary operations?" When it was explained that the box on "spying" was pointing to "para-military operations" he was much reassured, remarking "the more of these the better. I'm in favor of it." And with the parliamentary stuff—you don't know enough about it.

I have been privileged to watch such committee chairmen as Stennis, McClellan, Mahon, Hébert, and especially the late Senator Russell, deal with highly complex problems of national security which cannot but be impressed with their inherent wisdom and common sense. But sometimes, I was vividly reminded of the bureaucratic verbosity to shrewd, and to some of the younger members, have more and more come to be interested in the Agency's activities and anxious for access to the Agency's product. In the House, particularly recently, the younger members have become quite vocal in their insistence that they be included in intelligence briefings and "like to get the Chairmen of our Subcommittee report of 28 November, that they had gone through piles of memonarama and classified files without finding a shred of evidence of any improper Agency involvement.

The Agency is indebted to Mr. Nedd's persistent skepticism and insinuative, coupled with the Agency's forthright responses to his questions, paid off. While his Subcommittee report on the investigation did not require the government officials to "dope" into lending certain assistance to "the Plumbers" on the basis of their false representations, he absolved the Agency and all of its responsible officials of any guilty knowledge or knowing participation. In a story about CIA and the Watergate by Oswald Johnson in the Evening Star, 28 November, Nedzi is quoted as saying that his Subcommittee's work was complete, and that they had gone through piles of memorandum and classified files without finding a shred of evidence of any improper Agency involvement.

In 1971, Mr. Hébert decided to forestall trouble by appointing as Chairman of the Intelligence Subcommittee of the Armed Services Committee with an iron hand, and both chafed, and dominated, the Intelligence Subcommittee of the Armed Services Committee. The man he selected was Lucien Nedzi, a Democrat from Detroit. A graduate of the University of Michigan Law School and veteran of World War II and the Korean War, Mr. Nedzi represented a district embracing such disparate communities as East Detroit, Hamtramck, and Grosse Pointe Farms. In taking the responsibilities of Subcommittee Chairman, Nedzi displayed a hard-charging and hard-headed attitude. He insisted on knowing not only the "what," but the "why" and "how." Throughout a series of "get-acquainted" briefings by Agency representatives, Nedzi was heard, often indicated on debriefing cards to members of either club really exercises much influence among his colleagues unless he has a reputation for scrupulous personal in-

tegrity. A member must live up to his oral explanations. He must never lie to a fellow member. Therefore, when a member of our Oversight Subcommittee told the Agency that he has looked into the matter, and found the criticism unfounded, that usually puts an end to it. So, when a Subcommittee member provides a sensitive secret on the assurance that it will not be further revealed, that commitment is normally observed.

On the other hand, this code of conduct can occasionally result in problems for the Agency. One of its provisions, for example, that everyone would be made to avoid a direct confrontation with another member. Thus, when some committee or individual member seeks to probe an Agency matter which we would prefer to deal with only before our Oversight Subcommittees, it is often difficult to get the Chairmen of our Oversight Subcommittees to assert their prior jurisdictional claim and force the non-member to back off. Usually some face-saving compromise is arrived at, such as allowing the inquisitive member to receive an "ears only" briefing on the material from an Agency representative with an assurance that he will keep the information to himself.

While there is much to be said for the senior members of those exclusive club, what we really need are the younger and more liberal members to be given some sort of an opportunity to talk to the Agency, for it is only they who have more and more come to be interested in the Agency's activities and anxious for access to the Agency's product. In the House, particularly recently, the younger members have become quite vocal in their insistence that they be included in intelligence briefings and "like to get the Chairmen of our Subcommittee report of 28 November, that they had gone through piles of memonarama and classified files without finding a shred of evidence of any improper Agency involvement.

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tion for that splendid man—ever cheerful, ever humorous, ever professional, ever dedicated, ever loyal—our friend, John Minor Maury, Jr.

John Minor Maury—the seventh in his family to bear that name—was born in Charleston on April 24, 1912. He grew up at Dunlora, the family farm in Albermarle County, part of a royal grant by George II in 1756. Oleg Penkovskiy was acquired and exploited. From 1962 to 1968 he was Chief of Station, Athen. In 1958 Jack was brought home by Dick Helms to serve as the Agency’s Legislative Counsel. No choice could have been better.

Jack’s blend of gracefulness, candor, humor and affability won instant and continuing acclaim on Capitol Hill. He remained for six years in the Senate and House—always with a light touch to ease the mood, however grave. In the grim atmosphere of the spring of 1974, after some trying days of testimony, I asked Jack to report on the Hill reaction to the Agency’s difficulties. “Well,” he said cheerfully, “they think you’re staying well on top of it.” “I don’t think you’re catching up,” I found that less than entirely measured.

In 1974 I asked Jack to become Assistant Secretary of Defense for Legislative Affairs, believing that the DOD at that time would not be so well served by his legislative skills than would the Agency. (In retrospect, that judgment may have been less than clairvoyant.) Jack expressed concern that he might be too old to shift careers, but was reassured when reminded that at his age Konrad Adenauer had not only been the Foreign Minister of Germany but had also served as Chancellor of the Federal Republic of Germany.

Jack’s activities at the Agency must perform remain somewhat veiled. He was later transferred to the operational side of the Agency, to work in Berlin, Frankfurt, and Geneva, and also worked closely with the NSC Staff. From 1964 to 1982 he was Chief of the Soviet Division. Suffice it to say that during his tenure the rich vein of intelligence on the KGB agent Oleg Penkovskiy was acquired and exploited. From 1962 to 1968 he was Chief of Station, Athens.

He was a natural, almost pre-ordained, step for Jack in 1946 to join the Central Intelligence Group, later the Central Intelligence Agency, at CIA Headquarters. In 1952, 1969 and in 2007 Branches where he was the Intelligence Directorate. He served in the Agency for over 50 years; it was the central focus and passion of his professional career, a parallel to his marriage to Stuart in his private life.

He was not given to looking back, to vain regrets—for what had been, but which could have been better. His central purpose until the end was the change, the adaptation, the growth of those institutions to which he devoted his life. They might be preserved for future usefulness to his nation.

He remains forever the epitome of the Virginia gentleman. It is my judgment the highest honor one can attain.

Yet Jack always rejected stuffiness. I can write the most impeccable of Virginia society in heaven. In these august surroundings a note of levity may surprise some of you. Jack himself would have had it no other way. For him humor was the indispensable element in God’s Kingdom.

And finally, Jack truly exemplified Kennan’s definition of a gentleman. “A gentleman is a man of honor. For him, grace under pressure. Some of us, no doubt, are shaken by the suddenness of Jack’s departure. More so, perhaps than Jack himself. When he phoned to announce his fatal illness, he said with his usual cheer: “After severity, there is no bad news. It’s just a new adventure, and for want of a better word, I’ll call it a fantastic adventure.” He closed the conversation with that most characteristic salutation with which he always ended all phone calls. “All the best.”

For Stuart and the family, we all share their grief in this sudden departure—however inevitable a termination to so full a life. Now Jack has returned—for the final time—to his beloved Dunlora—to be forever amid the scenes of his youth.

Farewell, Jack! Godspeed! All the best!

THE AMERICAN CONSERVATION CORPS

Mr. MOYNIHAN. Mr. President, an excellent editorial, entitled “Stop Stalling the Conservation Corps,” appeared in your August 30 issue of the New York Times. I ask that the text of the editorial be printed in the Record.

I share the author’s sentiments.

On March 31, 1933, President Roosevelt signed into law the Civilian Conservation Corps Act—Public Law 73-5; 5 days later, he established the Civilian Conservation Corps (CCC) by Executive Order 6101—less than 1 month after he proposed the legislation to Congress. The first CCC camp, Camp Roosevelt, was opened on April 17, 1933, at Luray, VA. Within 3 months, 1,300 camps were operating across America, manned by 275,000 enrollees. During 9 years of operation, the CCC enrolled 3½ million young men. It was perhaps the best social and environmental bargain in this Nation’s history; 50 years ago, Congress acted with alacrity. Today, we proceed at a glacial pace. On February 3, 1982, Senator Mathias and I introduced S. 2061, a bill to create an American Conservation Corps (ACC). In this Congress, we reintroduced the measure on January 26, 1983, as S. 27. The House of Representatives passed ACC-authorizing legislation on June 19, 1983. We have held hearings for 3 years. We have negotiated for 3 years. We have compromised for 3 years. All
the while, our Nation's unemployed youths face few prospects for a better future as the economic recovery passes them by.

Over the past several months, Senator Mathias and I have worked with Senator McCullar and Senator Wallow to craft a bipartisan ACC-authorizing amendment to be offered as a substitute to the House-passed measure, H.R. 999. We have succeeded in crafting such an amendment. It would be deeply regrettable if the Senate were prevented from considering this amendment before the Congress adjourns. Such a course of events would be a disservice to unemployed young Americans. We can and should act promptly.

The editorial follows:

[From the New York Times, Sept. 17, 1984]

STOP STALLING THE CONSERVATION CORPS

There comes a time in the legislative process when compromising has to stop, and it's come for an amendment to create an American Conservation Corps. The House has approved this worthy measure twice, by overwhelming margins, and the Senate threatens now to stall it to death.

Patterned on the New Deal's Civilian Conservation Corps, this idea pairs jobs for unemployed youth with help for the environment. The House voted 18 months ago for a six-year, $1 billion program to provide year-round work training to 56,000 young people and summer work for 50,000 more. The proposal now pending in the Senate provides only a fraction as much—$200 million spread over three years.

To get this far, the Senate version has already been watered down considerably. Its principal advocates, Senators Moynihan of New York and Mathias of Maryland, finally gained essential backing only two months ago from Idaho's James McClure, chairman of the Energy and Natural Resources Committee. But now Senator Quayle of Indiana wants stricter performance standards and more emphasis on hiring "disadvantaged" youth. Another impasse. With time running out for this Congress, it could be terminal.

If Congress passes a bill reconciliation with the House bill would still have to be negotiated, and the final hurdle would be President Reagan. The Administration, missing the point, says it's opposed to "dead-end" jobs, but has stopped short of threatening a veto.

The American Conservation Corps is for young people who are at a dead end already. They're unemployed. They need work, work experience and training. It's a tested concept that should flourish and grow. But not if the Senate doesn't even get to a vote.

AMENDMENT TO TAX REFORM ACT OF 1984—S. 2995

Mr. D'AMATO. Mr. President, on September 13, 1984, I joined a number of my colleagues as an original cosponsor of S. 2995, introduced by my good friend and colleague from New York, Senator Moynihan.

S. 2995 was an inadvertent error in the fringe benefit provisions of the recently passed Deficit Reduction Act of 1984, H.R. 4170. These provisions generally made most fringe benefits nontaxable by statute. Previously, a moratorium had been in place prohibiting the IRS from issuing regulations to prohibit tax-free fringe benefits. This moratorium expired on December 31, 1983.

H.R. 4170 stated that a fringe benefit provided by an employer to an employee that no additional cost of service would be treated as nontaxable income to the recipient. However, this only applied to employees of the direct company providing the service, not a separate subsidiary of the same parent corporation.

In particular, S. 2995 rectifies this problem for Pan Am. Pan American World Services is a subsidiary that provides a myriad of services, including servicing Pan Am aircraft. Yet, under H.R. 4170, Pan American World Services' employees cannot enjoy previously received fringe benefits. This is unfair, and I understand the rules for thousands of employees in the middle of the game.

Mr. President, S. 2995 is a narrow bill in focus. It would allow the employees of Pan American World Services to receive their traditional fringe benefits with no change in tax status. This would only apply to individuals employed by Pan American World Services. H.R. 4170, December 12, 1984.

Mr. President, I feel strongly that S. 2995 is important legislation. I urge the Finance Committee to hold hearings at the earliest date on S. 2995.

Thank you, Mr. President.

TOLEDO RSVP PROGRAM REACHES 1 MILLION VOLUNTEER HOURS

Mr. GLENN. Mr. President, I am pleased to recognize the valuable work of 700 senior volunteers in Toledo, Ohio, and throughout the country. I am proud of the Retirement Volunteer Program [RSVP]. The Toledo area RSVP program will have a volunteer celebration on Sunday, November 4, 1984 to recognize the 1 million volunteer hours donated to the program since 1972.

Under the leadership of Paul Conrad, director of RSVP in Toledo, and his able staff, these senior volunteers are providing valuable services in governmental agencies and community organizations in the Toledo area. The senior volunteers are particularly proud because during the past year they have donated a record 140,000 hours despite the budget freeze on administrative costs for the program. They have been generous in giving their time, talents, patience and wisdom to benefit the Toledo community.

The November 4 reception will include a posthumous recognition of Lucile Porter, the first RSVP volunteer in Toledo. Mrs. Porter served in Toledo, Ohio, as a volunteer. Mrs. Porter exemplified the type of person that we need as a senior volunteer. She was a caring individual, and always willing to go out of her way to get the job done.” The RSVP program and the Toledo community lost a great citizen when Lucile Porter died in July. She will be missed. At the request of the Chairperson of the Senate Special Committee on Aging, I strongly support the Senior Volunteer Program and the other Older American Volunteer Programs. The RSVP program was created in 1986, and has grown to support 345,000 volunteers in 730 projects throughout the country. The program is designed to provide volunteer opportunities for persons age 60 and over in a variety of community settings. Volunteers serve in such areas as youth counseling, literacy enhancement, long-term care, crime prevention, housing rehabilitation, and nutrition. The sponsors include local governments, schools, hospitals, community organizations, and senior centers.

Congress recently passed legislation reauthorizing the Older Americans Volunteer Programs for an additional 3 years. We recognize that volunteer participation in human services is necessary in meeting community and national needs. The contributions of older Americans are particularly vital during the current economic period when demand for services has grown but Government assistance has been frozen at current levels or cut back.

I know my colleagues in the Senate join me in congratulating the RSVP volunteers in the Toledo area for their fine work.

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

Mr. STEVENS. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35 which would permit Ms. Suzanne A. Logan, a member of the Senate Banking Committee, to participate in meetings and tours with German officials in Bonn and Berlin, West Germany, sponsored by the Konrad-Adenauer-Stiftung Foundation from November 10 to 17, 1984.

The committee has determined that participation by Ms. Bingham in the meetings in Bonn and Berlin, at the
SAM NUNN SELECTED AS NCOA'S RECIPIENT OF L. MENDEL RIVERS AWARD FOR LEGISLATIVE ACTION

Mr. TOWER. Mr. President, in addition to my Senator's cap, I'm donning a few more today in order to make this declaration to my colleagues.

As a life member of the Non Commissioned Officers Association of the USA (NCOA), a master chief petty officer in the Naval Reserve, chairman of the Committee on Armed Services, and a former recipient of the award, it is my pleasure to announce the selection of Senator Sam Nunn as this year's recipient of the NCOA L. Mendel Rivers Award for Legislative Action.

This prestigious award is presented annually to a U.S. Senator or Representative who, in the opinion of the association, is most deserving of recognition for legislative actions taken on behalf of the career enlisted men and women of our Armed Forces. Additionally, the recipient is recognized for his or her patriotic endeavors and for being representative of many of the ideals and philosophies expounded by the award's namesake, the late Honorable L. Mendel Rivers, Congressman from South Carolina.

Mr. Rivers, a former chairman of the House Military Committee, is still revered by many service members as the champion advocate of quality-of-life improvements for men and women serving or having served in the Armed Forces. Our colleague, Sam Nunn, fits comfortably in that category of advocates.

When he chaired the Armed Services Subcommittee on Manpower and Personnel, he championed the adoption of improvements in military compensation and the quality of personnel we now enjoy in the Armed Forces.

Senator Nunn also embodies the spirit of the association's continuing goal for a strong, adequate national defense. All of us here, in this body, well know that he is one of the brightest and most intelligent legislators on defense programs. He has become a leader and can stand toe to toe with the best in discussing the defense needs of our great Nation.

I am particularly pleased that NCOA has chosen to honor Sam Nunn. Of the six awards presented in the Senate, Sam is the fourth member of the Senate Armed Services Committee to be selected by the Non Commissioned Officers Association of the USA. In addition to myself, Senators Strom Thurmond and Bill Cohen are the others. The remaining two colleagues in the Senate are Senators Bob Dole and Bill Armstrong.

On the House side, Representatives F. Edward Houghton (replaced), Thomas N. Downing (retired), Bob Wilson (retired), Melvin Price, Charles E. Bennett, Mendel J. Davis (retired), and Bill Nichols are former recipients.

I congratulate my colleague, Sam Nunn, and I look forward to joining my association in September when Senator Nunn is presented the award at the NCOA annual congressional reception.

Meanwhile, the association has asked that I, as a member and the only enlisted reservist serving in Congress, render a salute to Senator Nunn, a former enlisted member of the United States Coast Guard, for a job well done.

Semper Paratus.

REFLECTIONS ON THE 200TH ANNIVERSARY OF THE ST. JOHN'S COLLEGE CHARTER

Mr. SARBANES. Mr. President, on Saturday, September 22, St. John's College of Annapolis, MD, and Santa Fe, NM, celebrates the 200th anniversary of its charter. Founded originally in 1696 in Annapolis, the capital of the Maryland colony, as King William's School, St. John's received its college charter from the new State of Maryland in 1784, the first year of the new Republic.

St. John's was thus one of a handful of colleges established in the 17th and 18th centuries to offer higher education to the young men who were to be the first participants in an extraordinary experiment in political and social organization, a nation without precedent in the world's history, the democratic republic that is the United States of America.

St. John's is distinguished in many respects. Visitors to Annapolis are invariably struck by the beauty of the St. John's campus, and by the appropriateness of the campus within the broader setting of Maryland's historic, jewel-like capital. St. John's is best known, however, for the rigor of the education it offers to its students, and for the unique form, in our age, that that education takes.

"Only the educated are free," wrote the Greek stoic philosopher Epictetus nearly 2,000 years ago, and in the early days of the American experiment his words found eloquent echo in the writings of Thomas Jefferson, who asked to be remembered above all as the founder of the University of Virginia: "If a nation expects to be ignorant and free, in a state of civilization, it expects what never was and never will be."

St. John's takes as the premise of the education it offers the indissoluble association of freedom and education which Epictetus and Jefferson alike assert, summing up its obligations and objectives in the following terms:

Liberal education should seek to develop free and rational men and women committed to the pursuit of knowledge in its fundamental unity, intelligently appreciative of their common cultural heritage, and conscious of their social and moral responsibilities. Such men and women are best equipped to master the specific skills of any calling and to become mature citizens of the free society.

It is worth noting that the inscription on the College emblem, "Facio Liberos ex Libris Libraeque," means, "I make free men out of children by means of books and a balance."

While other institutions may share the premise underlying a St. John's education, few, if any, share the means by which St. John's seeks to educate its students—or, more precisely, creates the conditions enabling students to educate themselves. The college maintains, and has so maintained for nearly 50 years now, a program to liberal education lies through the books in which the greatest minds of our civilization—the great teachers—have expressed themselves, because books are "the necessary tools for answering questions." The program of the college, starting from the liberal arts of the classical tradition—arts of language and mathematics—accordingly based upon the reading of carefully chosen texts judged to be great, epic poems, novels, and political treatises, works that are philosophical, historical and scientific in nature.

The focus on great works of the past, however, is joined to a coordinate focus on the present and the future. The objective of the St. John's program is "to ascertain not how things were, but how things are—to help the student make rational decisions as he lives his life." The college defines as its ultimate aim the goal that "the habits of thought and discussion thus begun by the student should continue with him throughout life."

Reading is far from an end in itself at St. John's, nor is it a sterile and isolated exercise. In place of the more familiar lecture and section, St. John's offers the seminar, the tutorial, the preceptorial and the laboratory; essay and discussion replace hour exam and final examination, cooperation and collaboration replace competition in learning. The St. John's faculty, graduates all of distinguished universities and in most cases with advanced degrees, are tutors, not professors or lecturers. None is limited in teaching to a single subject, indeed, each is expected to lead tutorials in any field—and each is engaged, along with undergraduates, in learning. Under the guidance of President Edwin Jules Delattre, St. John's is a community of seekers after truth, men and women of all ages,
by discipline in these arts that spiritual, moral and civil liberties can be achieved and preserved.”

SOCIAL SECURITY DISABILITY REFORM LEGISLATION

Mr. SASSER. Mr. President, I read with great interest over the weekend a Washington Post outlining agreement between both Houses on the Social Security disability reform legislation currently in conference.

This is certainly welcome relief to the hundreds of thousands of disabled beneficiaries awaiting periodic review of their cases before the Social Security Administration. This relief is particularly welcome in light of the horrendous inequities and injustices which have resulted from the administration’s handling of these reviews over the last 3 years.

Although Congress passed temporary legislation in December 1982 in an attempt to ameliorate some of the most glaring deficiencies in the Social Security Administration system, much-needed structural reform has been stymied. The types of reform outlined in the House disability bill, H.R. 3755, are both necessary and long overdue. It is my sincere hope that the final agreement talked about in the Post this past weekend will address the structural nature of the administrative problems facing the disability system.

No clearer evidence of the necessity for comprehensive reform can be presented than the Internal Social Security Administration report released last week.

This report documented, in a clear and concise manner, what many of us have known for some time: That the current Social Security Disability System is itself disabled and in need of major reforms.

The report states that:

There is a crisis in SSA’s litigation processes, resulting in large part from an enormous number of pending and new cases and compounded by an increasingly critical attitude being expressed toward the agency by the courts.

The report continues to state that:

The agency’s credibility before the federal courts is at an all-time low. In addition, there is judicial criticism toward some of the substantive policy positions advanced by SSA in defending the cases and implementing decisions.

These statements pinpoint one of the most crucial areas of disagreement between the House and Senate passed versions of disability legislation, namely the provision dealing with nonacquiescence on the part of the Social Security Administration with respect to Federal circuit court decisions. Essentially, what this amounts to is total disregard on the part of the Secretary to precedents developed in Federal court decisions.

The House legislation, H.R. 3755 requires the Secretary to either apply the circuit decisions to all cases within the circuit or appeal them to the Supreme Court. This not only reflects normal legal procedure, but make im­mense good sense. The Senate bill, however, does not seriously address this issue.

Mr. President, in June, I sent a letter to the House and Senate conferences along with several of my colleagues, including the distinguished minority leader Mr. BYRD, Mr. BING­MAN, Mr. MITCHELL, Mr. RIEGLE, Mr. KENNEDY, and Mr. METZENBAUM, which asked them to adopt the House language. At this point, Mr. President, I would like to have a copy of this letter printed in the Record.

The Letter Follows:


DEAR CONFEREE:

In our opinion, this is one of the most crucial issues to be debated over Social Security Disability reform. The primary point of contention involves the policy of non-acquiescence practiced by the Social Security Ad­ministration in disability reviews. Under this policy, SSA does not consider the decisions of Circuit Courts of Appeal binding, except for the plaintiffs in the individual cases, when the rulings and interpretations conflict with the agency’s regulations and policies.

What this effectively amounts to is the making of new law in each individual case. This practice disregards the basic notion of precedent and judicial interpretation. Administrative Law Judges across the country have indicated time and again before Congressional hearings that this policy significantly hampers their ability to utilize these court interpretations and subsequent works on individual claimants because they must go to the expense of reestablishing a new point of law in each case.

The language contained in the House version requires the SSA to either apply Circuit Court decisions to all cases within the circuit or appeal in the discretion of the Supreme Court. This is the normal legal proceed­ure and should be followed. Attached please find a copy of a recent New York Times article outlining specific conse­quences resulting from current SSA non-ac­quiescence practices.

We urge the conferees to examine the merits of this proposal thoroughly during the conference and hope that they will support the House provision.

Sincerely,


Mr. SASSER. The importance of this issue was clearly demonstrated in the SSA report released last week. Because of this nonacquiescence policy, there are now 50,000 Social Security cases pending in the Federal courts,
this is up from 20,000 in 1981. Further, it is expected that an additional 28,000 new court cases will arise in fiscal year 1984.

The report also states that there are over 125 disability class actions currently pending. Also, there is a dramatic increase in the number of motions or threats to hold the Secretary in contempt and/or the OGC in contempt. The report indicates that at least one case of criminal contempt. During the period of October 1983 through July 1984, 201 motions or threats were recorded, with 46 occurring in the month of July alone.

At this point, Mr. President, I would like to have the task force report printed in the Record.

The task force report follows:

As you requested, enclosed is the final project statement of the Social Security Administration’s (SSA’s) Litigation Management Project.

This project is only one of SSA’s continuing management initiatives designed to improve protection and service to the public. One of my major goals is to ensure that the Social Security program is administered as fairly, efficiently, and economically as possible. One way of ensuring that is to recognize early on situations that require immediate and responsible attention.

As a number of lawsuits pending against SSA increased over the last year, it became clear that SSA needed to develop immediate and long-range plans to effectively manage court case workloads. Because of this, I asked my staff to carefully review and implement procedures to deal with this growing workload so that it could be handled efficiently and humanely.

The enclosed report is a product of that initiative and reflects a plan that will improve SSA’s relationship with the public as well as the courts.

Sincerely,

MARTHA A. MCSTEEN,
Commissioner of Social Security.

LITIGATION MANAGEMENT PROJECT STATEMENT

ISSUE

There is a crisis in SSA’s litigation process, resulting in large part from an enormous number of pending and new cases and compounded by an increasingly critical attitude toward SSA by the courts. The litigation process was not designed to handle the current volume of cases. As a consequence, SSA is not as responsive as it should be and accordingly, the agency’s credibility before the federal courts is at an all-time low. In addition, there is judicial criticism toward some of the substantive policy positions advanced by SSA in defending the cases and implementing decisions. Action must be taken to improve the efficiency of case processing and to assure that SSA’s substantive position in these cases is consistently sound.

I. General

28,000 new court cases are projected for fiscal year 1984.

56,000 court cases are currently pending. Over 125 disability class actions are currently pending. As a result of the huge increase in the number of class action suits, court decisions no longer affect only a small percentage of claimants who actually file civil actions.

There is a dramatic increase in the number of motions or threats to hold the Secretary in contempt or the OGC in contempt, including at least one case of criminal contempt. During the period of October 1983 through July 1984, 201 motions or threats were recorded, with 46 occurring in the month of July alone.

There have been 160 interim payment court orders for January-June, 1984, as a result of SSA’s failure to answer the complaints timely. This compares with a total of 56 for all calendar year 1983. An even more dramatic comparison: there were 5 interim payment orders for the first quarter of calendar year 1983; 53 for the first quarter of 1984.

An even-increasing number of Equal Access to Justice Act (EAJA) awards involving a large amount of money ($725,000 has been awarded to date and $1,399,000 is pending) are resulting from findings that SSA’s position in the litigation “was not substantially justified.” This is a reflection of the court’s attitude about the agency and calls into question the positions that SSA is taking in these cases.

In a great number of adverse publicity surrounds many Social Security litigation cases and court orders are written in increasingly critical terms. Much of the criticism concerning the Secretary is based on the Department’s decision to remand cases for new hearing which present an additional major workload in OHA.

Problem in Litigation Process

A. Individual Court Cases

1. Complaint Stage:

Delay in receiving and acting upon notification that a civil action has been filed can contribute significantly to SSA’s inability to respond timely.

Once the complaint has been received, it is often difficult to associate a social security number with it, further contributing to delays.

2. Answer Stage:

Preparation of the administrative transcript and filing of the answer to the complaint are in many instances not done in a timely manner because of problems with lost and inaudible hearing tapes or lost case folders.

A consequence of the inability to respond promptly is that courts are ordering many additional hearing requests which present an additional major workload in OHA.

3. Briefing Stage:

While some cases may be referred to the Appeals Council for possible remand, in most instances, briefs are filed without sufficient assessment of defensibility. Therefore, there is an increased burden on the Department of Justice to draft briefs. Moreover, when SSA defends a policy in court, its position is seriously weakened when the case is one in which the record is questionable or the facts are overwhelmingly sympathetic to the claimant.

B. Class Action Cases

There are essentially pro forma arguments in class action cases, including the specific policies and procedures advanced by the plaintiffs. This is a result of the large volume of cases and because, unlike other types of litigation, the defendant generally files before plaintiff.

4. Magistrate Decision Stage:

Findings and recommendations from magistrates are issued with comparatively little time given to SSA to respond. As a result, there is extremely difficult to prepare objections or briefs.

A contributing factor to the difficulties in responding is that the decisions can be delayed in being routed to OGC and SSA.

5. Appeal Stage:

Largely due to the huge volume of adverse decisions, not all cases are reviewed in depth to determine whether or not the agency wants to appeal. Consequently, some cases which present significant policy issues or other problems are not identified for appeal. The failure to aggressively appeal cases on crucial issues has led to an increasing body of case law which makes subsequent cases with similar issues increasingly difficult to defend.

Even once a case has been identified, it is often difficult to convince the Department of Justice to appeal.

6. Implementation of Court Orders:

Remands: Again, because of volume, remands are often not handled in a timely manner.

Remand orders are often not in accord with SSA rulings and other policy and thus, frequently of no value to the agency.

The question of the legal criteria for the appeal of remand orders may need to be investigated.

Reversals: Currently, it can take up to 30 days for OGC to receive court decisions from the U.S. attorneys.

The Department of Justice has in the past required SSA to wait 60 days (the appeal period) before implementing court orders, even in routine cases where it was clear that there would be no appeal. Accordingly, OGC would not authorize SSA to process forthcoming decisions during the appeal period. Although this requirement has recently been modified somewhat, when it was in effect it may have contributed to delays in the prompt implementation of court orders.

There is excessive folder movement in the litigation process. As a result, when a court order needs to be implemented, the problem often exists in locating the folder.

The process of implementing concurrent title II and XVI blindness cases is particularly complicated and cumbersome, involving ODO and the DO’s as well as the Underpayment Review Section. This very often results in lengthy delays in the satisfaction of the full amount of benefits due.

7. Attorney Fees:

In some cases, attorney fees are not processed timely, often because of delays in getting past due benefit summaries. While the percentage of problem cases may not be extremely high, attorneys often bring these cases to the attention of the court, further undermining SSA’s credibility. The problem has become of even greater importance now that attorneys are using the threat of contempt to obtain their fees.

The current process of assessing attorney fee petitions is unduly complex and time consuming. It requires individual analysis of each case, which is rarely rendered in each case to determine the proper fee.

B. Class Action Cases

1. Preliminary Injunction/Temporary Restraining Order Stage:
CONGRESSIONAL RECORD—SENATE

September 18, 1984

Briefing deadlines are frequently short, making it very difficult to respond appropriately in cases involving such motions. SSA sometimes does not implement these orders properly and on time; e.g. teletypes with implementing instructions may be in orders properly and on time; e.g. teletypes may not be fully explored.

due to this situation, although, defensive issues involved, the Freedom of Information Act (FOIA) is not readily available.

Since plaintiffs often are trying to prove class numerosity, responding to discovery frequently involves complex, costly systems identification or, alternately, time-consuming, manual folder searches. SSA is suspect clandestine policies and submit extremely burdensome requests for documents or other information. Sometimes they file both discovery and Freedom of Information/ separation stage requests which proceed on different tracks, causing confusion and inconsistencies.

Discovery is rarely used as a proactive tool, nor are creative approaches to stipulation and lodging objections employed in order to avoid burdensome discovery requests.

4. Defense/Argument Stage:

Attorneys may not be totally familiar with the background and rationale for the policies they are defending.

There is the extent to which other regions are able to keep abreast of policy decisions or defense strategies developed in particular regions which can turn hard cases with an impact on cases in other parts of the country.

There are also difficulties in getting information which is required to defend; e.g. folders often cannot be located or SSADAR's may not have the necessary information; needed data may not be available routinely and would require costly systems runs to secure, etc.

5. Appeals Stage:

As in individual cases, there may be difficulty convincing the Department of Justice to appeal class actions.

Implementation of Orders

As in individual cases, there may be delays in receiving the order.

There can be confusion and a lack of clarity in carrying out responsibilities within SSA for interpreting court orders, including identification of relevant class members. In some cases SSA's interpretations have proven not to be supportable in court.

Implementation often involves systems runs as well as the preparation of complex, lengthy interrogatories and depositions. Due to systems limitations, the class frequently must be over-identified to include all possible class members, resulting in non-class members receiving notices. The Office of Policy (OP), the Office of Systems (OS), the Office of Hearings, and field components all have a role in the implementation process. There is sometimes considerable delay in the implementation of the orders. As one example of the difficulties encountered, OHA lacks a written telecommunication facility with its hearing offices, resulting in the need to use the telephone or express mail to communicate instructions to meet court-ordered time frames.

Recently, probably because of the hostile attitude of many courts, there is a trend toward complex court orders with incredibly short timeframes. For example, in Poland, SSA was given 24 hours to implement an order.

III. Management/Information/Analysis

This is a lack of SSA's initiative analysis of litigation issues and trends.

Statistical information, particularly with respect to remand and court affirmations, has not been used effectively with respect to responsibility for remand statistics between OBA and OP. There is apparently confusion in the OCG so that SSA does not have a reliable count.

PROJECT OBJECTIVES AND APPROACH

The project's activities will bring about both short-term and long-range improvements in SSA's litigation process. The overall objectives are:

To substantially reduce delays and increase efficiency throughout all stages of the litigation process, including the processing of complaints, the preparation of answers and briefs, and the implementation of orders.

To ensure that litigation functions are carried out in a cohesive manner and that all responsible bodies are aligned to ensure maximal responsiveness by the agency to the courts and the public.

To assure that SSA's substantive position in all areas of processing cases is consistent and is clearly communicated to all parts of the organization.

To restore SSA's credibility before the federal courts and to eliminate the adverse publicity surrounding Social Security litigation cases.

To achieve these objectives, the project will focus on four major task areas. In some instances, the project's task areas will primarily coordinate, follow-through, and build upon the various activities already underway; while in others, much of the activity will involve new initiatives. The four task areas and their activities are as follows:

1. Implementation of Improvements in the Complaint and Answer Stage.—This stage will address those problems pertaining to SSA's frequent inability to promptly file responses and prepare transcripts, audit hearing tapes and correct transcriptions; modularizing branches in the Office of Appeals; OCG's (the component which makes recommendations to the Appeals Council on claimant appeals) to include a minidocket and files unit in each branch; tighten up on case control following Appeals Council final action; using new procedures to insure handy file retrieval when a civil action is filed; issuing a memorandum to all hearing offices outlining detailed procedures on how to properly record hearing testimony; taking the lead in deciding to make the hearing tape a permanent part of the claims file. OHA is in the process of installing more computer terminals to insure immediate access to SSA computers showing the location of case files; scheduling more training in the use of recording equipment and exploring the possibility of obtaining better quality tapes and more useful transcriptions.

Activities Planned

Evaluate and initiate improvements in the handling of complaints, and identify and implement any other required improvements to SSA's litigation procedures.

II. Implementation of Improvements in Effectuation of Court Reversals.—This area addresses the problems relating to the effectuation of court orders, both with respect to individual cases and class action suits.

Activities Underway

OP has gained agreement from OGC, with the concurrence of the Department of Justice, to waive the 60-day requirement before effectuation of an order in certain categories so that SSA may not have to appeal an order. The new procedure is now being implemented, and the effectiveness of the new procedure will be carefully monitored and evaluated.

OP is in the process of automating the tracking of the implementation of court orders. When operational, the system will track all adverse court orders to assure that either an appeal is entered or a effectuation memo is received and that all effectuations are in process.

OD has tentatively established a litigation implementation staff to centralize and expedite the effectuation of court orders.

OFO has developed a series of recommendations to improve the implementation of individual court orders. OCG has proposed procedures to improve and formalize actions to be taken in potential contempt situations.

OGC is conducting a thorough review of its docket room operations with a view toward streamlining processing.

Activities Planned

Study folder flow to minimize movement, thus reducing the risk of loss and processing time. Study paper flow to identify and remedy sources of delay or misrouting of cases.

Streamline the process of effectuating concurrent title II/XVI court orders.

Develop and implement procedural changes in the answer stage processes.

OHA has presented a study of the OHA's time requirements with U.S. Attorneys' offices, particularly including prompt transmission of court documents. OHA has studied delays in the OCG and the OHA.

Review and clarify responsibilities and procedures in connection with implementing...
tion of class action orders to assure proper coordination of activities.

III. Implementation

The proposed Rules of Procedure for Identifying and Not Defending Court Complaints with Poor Prospects for Defense in Court—This area will carry out the recommendations of an intercomponent workgroup which was recently convened to examine problems relating to court cases for defense.

Activities Planned

Implement Phase I of the workgroup's recommendations, essentially involving a pilot project in which the regional attorneys, at the briefing stage, will refer cases to a central office review panel for assessment. The purpose of this phase is to refine the criteria for identifying poorly defensible cases and to test the process by which this activity could take place on a permanent basis.

Implement Phase II, during which various issues and problems identified by the workgroup will be addressed. A permanent process will then be implemented.

IV. Fundamental Litigation Process Improvement—This area will include both activities involved in the overall litigation process and specific substantive areas in which issues have arisen regarding SSA's ability to handle cases. It will also include cross-cutting activities in support of the project's objectives.

Activities Planned

Reviews all aspects of the SSA litigation process in SSA, OGC, and the Department of Justice, both centrally and in the regions. This review includes both substantive and procedural components of the process and will lead to a clearer understanding of the roles and responsibilities of component roles and responsibilities.

Evaluate the feasibility of a comprehensive computer system which would track litigation cases, providing a thorough case history which would incorporate SSADARS, OHA, and litigation information; as an interim measure, review existing and planned tracking systems to ensure optimal effectiveness and efficiency of communication between components.

Review the allocation of resources and responsibilities within the litigation process and recommend reallocation or realignment wherever necessary.

Examine the present system for identifying cases for appeal to make recommendations and implement any needed definitions of component roles and responsibilities.

Analyze the process to institute improvements to ensure that appeals are pursued whenever appropriate. Cases involving court remand orders, preliminary injunctions, and temporary restraining orders.

Develop a procedure so that SSA reviews briefs prior to filing in the most significant cases to ensure that they adequately reflect and defend SSA's policies. Explore the possibility of model briefs on significant issues. Study the extent of improved success that could be achieved from individually tailored briefs.

Establish a process to assure that the possibility of settlement is explored in appropriate cases.

Develop mechanisms to ensure better coordination, communication, and understanding among all SSA, OGC, and Department of Justice components involved in the litigation process.

Review SSA's policy with respect to the application of circuit court precedents.

Develop a system to keep track of information developed to respond to discovery, to prepare briefs and to respond to other segments of the litigation process; analyze trends in required resources to develop the capacity to prepare pre-packaged information for use in future litigation cases.

Develop means to improve SSA and OGC expertise in responding to discovery.

Ensure that substantive analysis of litigation issues and trends is performed and developed to develop a plan of information to the Commissioner briefly and on a timely basis.

Develop tailored training packages and other materials to provide orientation and guidance to all participants in the litigation process, particularly Regional Attorneys and U.S. Attorneys.

Develop and implement a strategy for publicizing project activities and results to key external entities; as one means to publicize project results and to gain input, convene a national conference involving HHS, Justice, Legal Aid, and the Courts.

PROJECT ORGANIZATION

Executive Manager (EM)—The Associate Commissioner, OP, has been designated by the Deputy Commissioner for Programs and Policy as the head of the Litigation Management Project. The EM provides overall leadership and oversight of the project. The EM will also chair an Executive Group, which will include the Assistant Commissioners of OCO, OPO, and OHA, the Regional Commissioner for New York, and the Assistant General Counsel for the OGC Social Security Division.

Project Director (PD)—The EM has designated a full-time PD for the Litigation Management Project. The PD will have full-time project staff assigned to each of the task areas described above. The PD is responsible for the development, implementation, and tracking of initiatives established under the project.

Project Managers (PM's)—The Deputy Commissioners for Systems, Operations, Management and Assessment and the Assistant General Counsel, as well as the Associate Commissioners for OHA, OD, OCSI, ORSI, and OGA have designated PM's. The coordination of project initiatives among the various component responsibilities is the responsibility of the PM's.

Project Methodology—The PD, working with PM's, managers and coordinators of projects, will assign tasks and resources throughout SSA that are necessary to complete the project. The PD will provide written briefings to the EM, DCPP, and other members of the SSA Executive Staff.

Detailed workplans will be prepared for each task area specifying the objective to be accomplished, manner of accomplishment, due dates for completion of work activity, components affected (including position types), cost of implementation, savings to be achieved and/or other benefits to be derived. Project initiatives may be added, deleted or revised upon recommendation by the PD and PM's and approval by the EM and DCPP. Monitoring of project activities will be accomplished by meetings and telephonic contact to the extent possible.

Mr. SASSER. A letter from U.S. Attorney Rudolph W. Giuliani to U.S. District Judge Constance Baker Motley which appeared in the Congressional Record on September 9, 1984, deserves further attention here. In that letter, discussion of the nonacquiescence policy prompted Mr. Giuliani to write that:

This policy does not allow the United States Attorney's Office, U.S. or any other federal agency to refuse to follow clear rules of law decided by the United States Court of Appeals. Properly applied, as it has been by U.S. Attorneys in the U.S. Attorney's office for the Southern District of New York, it permits a Federal agency to decline to follow nationwide the rules in one particular circuit. However, there has never been any support to my knowledge for the clear notion that Federal agencies within a particular circuit could disagree with and refuse to follow clear rulings of that circuit. We have not defended cases in the past by disregarding the law of this circuit and will not do so in the future.

Now the reason that the issue of disability reform has to this date been placed on the back burner is due to a political decision made by the administration earlier this year to impose a moratorium on all disability reviews.

This may be good politics, but it is not good policy. It is clear that there is a perceived problem here or else the White House would never have been willing to accept what to me is an ill-advised and poorly thought out policy which effectively has cut more than 470,000 disabled beneficiaries from the rolls between March 1981 and January of this year.

Mr. President, I am pleased to hear that final resolution to this problem is imminent, yet, for those of us who have been intensely involved in this issue for the past 2½ years it is hard to understand why it has taken so long.

It is my only hope that the final resolution will contain adequate comprehensive measures to prevent the mistreatment which has occurred over the past 3 years from recurring.

Surely, an end to the nonacquiescence policy practiced by the Social Security Administration will be a major step toward achieving this goal.

Simple justice requires that we correct the inequities created by the Administration's hasty acceleration of reviews, common sense demands it. It is my hope that this will be the year that Congress is willing to stand up to the Administration and refute the unfairness inherent in its disability policy.

LEAVE OF ABSENCE

Mr. GOLDWATER. Madam President, I ask unanimous consent that I may absent myself from the Senate this coming Saturday. I have been invited to my 50th wedding anniversary by my children and grandchildren. I do not want to let them down.

Mr. President, I ask unanimous consent that I be excused to attend my 50th wedding anniversary. I do not want to let them down.

Mr. MITSUNAGA. Madam President, in the course of debate regarding issues, both economic and military, we have heard much of late of productivity and workmanship, be the subject at
hand America’s competitive position in world trade, or the materiel reserve readiness of our combat forces.

It will be concerned about such matters, for a high level of excellence on both scores—productivity and workmanship—is part of our national readiness of our combat forces.

These thoughts came to mind when I read recently an address by the distinguished Hawaii journalist Adam A. "Bud" Smyser, editor emeritus of the Honolulu Star-Bulletin, to the 40th reunion banquet of the 1399th Engineer Construction Battalion, known in Hawaii during World War II as "the pineapple soldiers." Mr. Smyser told his audience that the wartime service of noncombatant Americans of Japanese ancestry (AJA) in the U.S. Army in the Pacific was as meritorious in its own way as that of AJA soldiers on our battlefield and was equally as vital to our country’s ultimate triumph.

Because his point is a valid one and because I can see it done to merit of America which we must sustain today, I ask unanimous consent that Mr. Smyser’s speech, which was reprinted in the Honolulu Star-Bulletin of August 18, be printed in the Record so that our colleagues and others may be reminded of our country’s long tradition of putting forth our best effort, regardless of what the work at hand may be.

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

THE PINEAPPLE SOLDIERS

(By A. A. Smyser)

(From an Aug. 17 speech to the 40th reunion banquet of the 1399th Engineer Construction Battalion.)

I have entitled my talk tonight “Hawaii’s Forgotten Battalion.”

That’s overstatement, to be sure. “The Battalion that Stayed Home” is a more accurate title. But it doesn’t catch the fact that stories of the World War II exploits of Hawaii’s AJA soldiers are of Japanese ancestry rarely focus on the 1399th Engineer Construction Battalion.

I was surprised, very surprised, in preparing this talk to discover how few news references to the 1399th are in the library of the Hawaii Newspaper Agency which flies the news clippings of the Honolulu Advertiser and the Honolulu Star-Bulletin.

When we talk of the AJA effort in World War II, we very naturally focus on the tremendous battlefield effort in Africa, Italy and France of the 100th Infantry Battalion and the 442nd Infantry Combat, the most decorated units of the war.

Related recognition also is being given to the Military Intelligence Service, AJA soldiers from Hawaii who served as interpreters for U.S. forces in combat in the Pacific and Southeast Asia and sometimes went on assignment with our merchant marine lines.

They deserve every bit of attention and commendation they get. They paid a high price for it.

But no one praising the World War II military effort of our AJA soldiers from Hawaii should ignore the 1399th and the units that were merged into it after the draft of AJA male civilians was resumed in 1944—the 370th Engineer Battalion, the 136th Engineers (later known as the 40th Engineer Special Brigade), the 1352th Base Equipment Company and all AJA construction units.

If you were Big Island, Mona Loa and Mauna Kea volcanoes dominate the scene, each rising up more than 13,000 feet from sea level. Down below on our flanks is another important volcano, Kilauea. It rises gradually to only 4,000 feet and is thereby obscured by the giants.

The 1399th was part of the AJA military units, obscured by the giants, but possessing a proud record of its own.

I have spoken of the AJA unit that served with the 40th and the 1399th through the war from January 1942 when he was activated from the Army ROTC reserve until after V-J Day in 1945.

He advanced in rank from second lieutenant to major and held just about every command in the battalion of nearly 1,000 men including a brief tenure as battalion commander. Now he is retired from the auto service business in Wahiawa.

“It’s a mystery,” I have been told, “how he found one of your old camp sites at Kilauea.”

He also recalls that Harold suggested he try his hand at politics after the war as the Togo Brothers.

He says the quality of your work was “tops” in comparison with other construction units that were in the line of duty that no one considered the 1399th and the 13,000 men it turned out to be a poorer army, an army of the 13,000 men that was the Kilauea of the AJA battalion.

Many of them gave their lives with the clear object of helping Hawaii win Statehood desperately needed. The Caucasian population and thus assure equal rights for its citizens of all races.

The fact that we are this week celebrating the 28th anniversary of Statehood is in many ways a tribute to that effort. Statehood probably would not have been won without the AJA soldiers, possibly not even by now, and perhaps never.

Racial doubts would have held us off from Statehood. The U.S. would be a poorer country because of it and Hawaii a far less happy place—more of a place with racial sentiments like Fiji, and less the relatively harmonious, prosperous state we enjoy today.

But no one praising the World War II military effort of our AJA soldiers from Hawaii should ignore the 1399th and the units that were merged into it after the draft of AJA male civilians was resumed in 1944—the 370th Engineer Battalion, the 136th Engineers (later known as the 40th Engineer Special Brigade), the 1352th Base Equipment Company and all AJA construction units.

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He advanced in rank from second lieutenant to major and held just about every command in the battalion of nearly 1,000 men including a brief tenure as battalion commander. Now he is retired from the auto service business in Wahiawa.

“What kind of a unit was the 1399th?” I asked him. “How did it do?”

He had just returned from watching the Olympics. Using Olympic judging, he said, he would give the 1399th a score of 10. Its men tested to be just about every command in the battalion of nearly 1,000 men including a brief tenure as battalion commander. Now he is retired from the auto service business in Wahiawa.

“They did every job they were supposed to do. They completed construction projects ahead of schedule. They did them well.”

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September 18, 1984

CONGRESSIONAL RECORD—SENATE 25809

You have relatives who were interned. The draft for you was suspended from 1942 to 1944. When mobilized, you were placed in ethnically separate units under mostly Caucasian officers. Early in the war some units were denied ammunition.

In my inquiries I even picked up a story I couldn’t confirm with a second person of machinery caused some injuries. The injuries were not confirmed with a second person of theAJA inductees for a single night at Schofield, apparently because their Mainland officers were afraid of them. The decision must have been soon after Pearl Harbor.

Whatever discriminations you faced, you served well, with dedication and with good humor. You achieved the same kind of respect-building across racial lines here at home that the 100th, the 442nd and the M.I.S. did overseas.

In the nature of things, your record has gotten lost in the shuffle a bit. It doesn’t deserve to be that way. On your 40th anniversary, congratulations and well done.

PRINTING OF BOOKLETS

Mr. BAKER. Madam President, I ask unanimous consent that there be printed for the use of the Commission on Art and Antiquities of the U.S. Senate 40,000 copies of the booklet entitled, “The Senate Chamber, 1810-1859,” and 40,000 additional copies of the booklet entitled “The Supreme Court Chamber, 1810-1860.”

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

THE PRESIDENT’S NEW COMPREHENSIVE FAIR TRADE PROGRAM FOR THE STEEL INDUSTRY

Mr. DANFORTH. Madam President, I thank the majority leader.

Today, Madam President, the President announced his new comprehensive fair trade program for the steel industry. Subsequent to that announcement the American Iron and Steel Institute issued a press release supporting the President’s program.

The first paragraph of the release states:

“The American Iron and Steel Institute issued today that President Reagan’s action in establishing a New Comprehensive Fair Trade Program for the domestic steel industry is recognition of the effects of unfair trade in steel on the domestic steel industry. The total import share of the U.S. steel market under this Program will be 18.5% of apparent domestic consumption plus 1.7 million tons of semi-finished steel.

The import levels, which apply across all product lines, should reduce unfair trade in steel and the extensive abuses which have caused substantial economic harm to the domestic steel industry.

The President’s announcement today is important to the industry, its workers and their communities since the industry is operating at about 57% of capability, tens of thousands of workers are on layoff, and many of the steel plant town communities are on the brink of financial disaster.

The program will be implemented with the nation’s steel trading partners within the next ninety days—assuring a move toward fair trade. If the Program is successfully achieved and enforced, the investment climate now largely will be unattractive once more, facilitating the increased modernization of the industry, to the benefit of the entire nation.

While the import level of the Program is higher than the limitations in the Fair Trade in Steel Act, the ceiling provided is far less than the 50% level registered in July or the 25% so far this year.

There are a number of favorable features to the Program. It will produce products. It is for five years. It will be enforceable under Administration-sponsored legislation. The resolution of the Program to deal effectively with unfair trade is shown in his willingness to use his broad authority contained in trade statutes and trade cases.

There is great promise for the industry, its employees and the steel committees in the Program. There remains the fulfillment of our expectations for the Program.”

The Program calls for a quantitative limitation on semi-finished steel. The steel companies will have the right to file unfair trade cases against semi-finished imports.

The industry has been assured that the Program will be implemented during the next ninety days. Steel imports arriving after October 1 will be included under the Program. Unfair trade practice cases can be expected to be filed in the event successful government arrangements or agreements with specific countries are not reached.

The domestic steel companies and their employees are great promise for the industry. The efforts of those members of Congress, governors, mayors and state and local officials who, together with the United Steelworkers of America, have so strongly supported the industry in its efforts to achieve a comprehensive steel trade solution. The industry is indeed grateful for this assistance.

We are aware of the opportunity a successful Program affords the industry and its workers. We are confident the opportunity and the challenge will not be lost.

ORDERS FOR WEDNESDAY

ORDER FOR RECOGNITION OF CERTAIN SENATORS

Mr. BAKER. Madam President, on tomorrow, I ask unanimous consent that, after the recognition of the two leaders under the standing order, the distinguished Senator from Wisconsin [Mr. Proxmire] be recognized on special order for not to exceed 15 minutes.

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

Mr. BAKER. Madam President, I have nothing further in wrap-up, and if the minority leader has nothing further, I am prepared to state the program for tomorrow.

Madam President, on tomorrow the Senate will convene at 11 a.m. After the recognition of the two leaders under the standing order and the execution of the special order, there will be a very brief period for the transaction of routine morning business until 11:40 a.m. in which Senators may speak for not more than 1 minute each.

At 11:40 a.m. the Senate will resume consideration of the motion to proceed to the consideration of Senate Resolution 66. At 12 noon a vote will occur on that motion. The yeas and nays, it is anticipated, will be ordered.

After the disposition of that matter, if the Senate chooses to proceed to the consideration of that measure, debate will continue for an appropriate time on the resolution itself. However, it is anticipated as well that during the day tomorrow the Senate will be asked to return to the consideration of the trade bill. It is hoped, Madam President, that the Senate can complete action on the trade bill tomorrow and pursue the debate in a satisfactory way on Senate Resolution 66. For the balance of the week, it is hoped that TV in the Senate, the trade bill, and the highway bill may be disposed of. Senators are to be notified of the possibility of late evenings on Wednesday, Thursday, or Friday of this week. A Saturday session is not anticipated.

RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Madam President, I have nothing further. The minority leader indicates he does not. I see no other Senator seeking recognition. I move, in accordance with the previous order, that the Senate now stand in recess until 11 a.m. tomorrow.

The motion was agreed to; and at 6:53 p.m., the Senate recessed until Wednesday, September 19, 1984, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate September 18, 1984:

INTERNATIONAL MONETARY FUND

Charles H. Dallara, of Virginia, to be U.S. Executive Director of the International Monetary Fund for a term of 2 years, vice Richard D. Erb, resigned.

DEPARTMENT OF JUSTICE

Jasper R. Clay, Jr., of Maryland, to be a Commissioner of the U.S. Parole Commission for a term of 6 years, vice Oliver James Keller, Jr., term expired.

INTERNATIONAL MONETARY FUND

Paul A. Volcker, of New Jersey, to be U.S. Alternate Governor of the International Monetary Fund for a term of 5 years, reappointment.