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PROCEEDINGS AND DEBATES OF THE 99th CONGRESS, FIRST SESSION

SENATE—*Monday, April 22, 1985*

(Legislative day of Monday, April 15, 1985)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the Honorable PETE WILSON, a Senator from the State of California.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Wisdom is the principal thing; therefore get wisdom: and with all thy wisdom, get understanding.—Proverbs 4:7.

If any of you lack wisdom let him ask of God, that giveth to all liberally, and upbraideth not, and it shall be given him.—James 1:5.

All-wise, all-powerful God of Truth and Justice, as the Senate enters a period of heavy, complicated, crucial deliberation and legislation, we ask for Your presence, power, and wisdom. How simple it would be if the issues were black or white, right or wrong. But they are not. Good, thoughtful and strong disagree—honest convictions collide—and the course is confusing when information seems to support opposing views. Help the ultimate issue to be what is right for the Nation, above partisanship. May it not be Democrat versus Republican or Congress versus White House. Grant insight and discernment so that truth and justice are served and the common good realized. In the name of Him Who is the Way, the Truth and the Life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 22, 1985.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PETE WILSON, a Senator from the State of California, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. WILSON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ASSISTANT MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the assistant majority leader is recognized.

IN APPRECIATION OF DR. HALVERSON

Mr. SIMPSON. Mr. President, let me reflect for just a moment on the most sensitive and appropriate remarks of our Senate Chaplain. Would that we would heed him more. Would, I suppose, as humans, we would have heeded the words of that "perfect human" in that Book that many of us embrace; we would not be in these problems throughout our world. So it is, as he always poignantly brings it together for us in his amazing way, and he is one cherished by this Senator as our Chaplain. We deeply appreciate that; I certainly do.

The ACTING PRESIDENT pro tempore. The Chair, in his capacity as the Senator from California, wishes to commend the assistant majority leader for his very pertinent remarks about the distinguished contribution made by our Chaplain, Reverend Halverson. He wishes to associate himself with those remarks and indeed, he would not presume if he expressed his expectation that all of our colleagues would join in that sentiment.

SCHEDULE

Mr. SIMPSON. Mr. President, under the standing order, we have 10 minutes allocated to the leadership on each side. We have a special order not to exceed 15 minutes for Senator PROXMIRE; morning business not to extend beyond the hour of 1 p.m. with statements limited therein to 5 minutes each and, following routine morning business, it will be the intention of the majority leader to turn to any Legislative or Executive Calendar items cleared for action by unanimous consent.

As far as our activities this week, it is what is known in the hunting trade as a "mixed bag," I believe. We are convening tomorrow at 8 a.m.—early hours and late hours this week. At 9 a.m. tomorrow, the Senate will begin consideration of Senate Joint Resolution 106, supporting military or paramilitary operations in Nicaragua, under a statutory limitation of 10 hours. By consent of the Senate, a vote will occur on final disposition of Senate Joint Resolution 106 prior to the close of business Tuesday.

On Wednesday, April 24, there will be a convening at approximately 9 a.m. By 9:30 or 10 a.m., we shall seek consideration of Senate Concurrent Resolution 32, the budget resolution. Rollcall votes can be expected throughout the day on Wednesday and on into the evening.

On Thursday, April 25, we will convene at approximately 9 a.m. By 9:30 or 10 a.m., we will resume the budget resolution and rollcall votes can be expected throughout Thursday's session, and rollcall votes should indeed occur prior to the hour of 12 noon. A late-night session is anticipated on that date.

On Friday, April 26, we shall be convening at approximately 9 a.m. once again, by 9:30 or 10 a.m. to resume consideration and resolution of the budget resolution. Rollcall votes can be expected during the entire Friday session. There is a possibility that the Senate could complete action on the budget resolution prior to the close of business on Friday—a fond hope.

Saturday, April 27, in the nomenclature of this report, has two question marks on it—which would seem quite appropriate.

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

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So I leave my colleagues on both sides of the aisle with that schedule as to this week.

Mr. PROXMIRE. Will the acting majority leader yield?

Mr. SIMPSON. Yes.

Mr. PROXMIRE. Is the acting leader telling us that in the event we do not finish the budget resolution on Friday, we will be in on Saturday? Is that correct?

Mr. SIMPSON. I say to my colleague from Wisconsin that such a prospect, I believe, is obvious to us. We must try to complete the budget resolution. The schedule may change in the course of the week. The Saturday session is uncertain at this time, but it will be held if we cannot conclude.

Mr. PROXMIRE. It will be held if we cannot conclude the budget resolution? I thank the Senator.

Mr. SIMPSON. I believe that is the intent, I say to the Senator from Wisconsin.

I yield to the acting minority leader at this time.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

Mr. ROCKEFELLER. I thank the Chair.

Mr. President, I ask unanimous consent that the time for the Democratic leader be reserved for his later use.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROCKEFELLER. Mr. President, I yield the floor to the Senator from Wisconsin.

TALL SENATORS

Mr. SIMPSON. Mr. President, before yielding the floor, let me reflect on what an imposing figure this must be on the other side of the aisle. I look across and see someone 6 foot 7 inches—rather startling sometimes. Senator BRADLEY walked in the other day, and he is only 6-6. Senator WEICKER is only 6-5. We are going to have to organize some kind of heavy athletic activity.

It is great to have the Senator from West Virginia present. He is a very fine addition to this body.

The ACTING PRESIDENT pro tempore. The Chair notes the absence of the former Senator from Texas in the Senator's observations, but if there is a tipoff he has volunteered to serve as the referee. He also urged that I remind the distinguished Senator from Wyoming of a lyric from the show "Barnum" that "bigger isn't better." We will leave that debate to another time.

Mr. SIMPSON. I would certainly hope so, Mr. President. I thank the Chair.

RECOGNITION OF SENATOR PROXMIRE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 15 minutes.

WHAT CIRCUMSTANCES DO ARMS CONTROL REQUIRE?

Mr. PROXMIRE. Mr. President over the next few days I expect to give a series of speeches on arms control, discussing the circumstances that are required to provide an effective arms control strategy for our country. Today I will provide a summary outline for that series of speeches on where I think this country must go if we are to bring peace to this dangerous world of nuclear weapons.

No. 1, and above all, arms control requires a President who is determined to negotiate long and hard for an agreement. The President and the President alone dominates arms control. The Senate plays a distinctly secondary role. But the initiative, the content, and the prospect of achieving arms control is strictly within the power of the President of the United States. Whoever the President may be at any time in American history, he is Mr. Arms Control.

Second, arms control can only succeed if it stops all testing of nuclear weapons. Past nuclear weapons arms control agreements have been useful in establishing the process of constraining nuclear weapons competition between the United States and the Soviet Union. But they have in some cases simply redirected the arms race. They have not stopped it. To the extent that they have limited some kinds of nuclear arms build up, their purpose has failed; they have just encourage nuclear weapons research to develop other nuclear arms. For example, limitation or reduction of missiles sometimes simply encouraged both sides to add more warheads to each missile. The result may be no real reduction. Or a limitation on large missiles may just encourage the development of a larger number of smaller but equally dangerous missiles.

Third, successful arms control must build on past successes. The most conspicuous and tragic failure to build on past successes has followed the test ban treaty. The 1963 test ban treaty achieved critical environmental success by prohibiting either superpower from testing nuclear weapons in the Earth's atmosphere, under water, or in outer space. But its most important potential contribution to peace was the establishment of the basis for building on that agreement by solemnly pledging both the United States and the U.S.S.R. to negotiate a full ban on all nuclear testing including underground testing. The failure of the superpowers to even try to comply with that promise represents the most significant lost opportunity for peace in the last 25 years.

Fourth, arms control requires a verification system that does two things. First, it must provide fully effective detection of any militarily significant violation or cheating by either signatory at the time the agreement is made. Second, both superpowers must work constantly with the best scientific resources to maintain and improve verification so it stays up to date with advancing technology.

The fifth major requirement for a successful arms control policy is the development of a reasonable degree of trust, cooperation and exchange of information between the two superpowers.

Let us not kid ourselves. Russia and America are and will remain adversaries. Russian totalitarian communism opposes the very essence of American freedom. These two sovereign superpowers and the clashing systems they lead will not lie down like lambs together. We will compete vigorously for many years to come. But the two superpowers have a history of alliance against fascism in World War II. Neither nation has even remote territorial designs on the other. The Soviet Union's world revolution animus of Marxist communism has no basis in realism. Indeed, if there has been any significant ideological evolution in the past 25 years, it has been away from the centralized collectives that have so dismally failed in Russia and China. Indeed, China has moved toward a less centralized, somewhat freer and slightly more individualistic society. That conservative champion of European Reaganomics, England's Prime Minister Thatcher has said she can do business with the new Soviet Dictator Gorbachev. Maybe we can too. Maybe we cannot. But the long-term success of arms control requires at least a steady effort to cooperate and work together where we can, while staying fully alert for Soviet cheating or other violations. Finally and along the same line, to make a success of arms control both America and Russia should steadily recognize the big truth that both countries—I repeat both countries—have everything to gain by making a success of arms control and a world to lose if we fail to do it. A full and steady understanding of this mutual advantage provides the surest basis for faith that both superpowers can work together for a world which continues free of nuclear war.

ELIE WIESEL RECEIVES CONGRESSIONAL GOLD MEDAL

Mr. PROXMIRE. Mr. President, this past Friday, April 19, preeminent author and Holocaust survivor Elie

Wiesel received the Congressional Gold Medal from President Reagan for his tireless efforts to remind us of the Nazi concentration camps. Mr. Wiesel has moved the world with a simple eloquence which captures the darkness of that era, forcing us to confront a past which must never be repeated.

As a survivor of the Auschwitz and Buchenwald concentration camps, Mr. Wiesel opens a heart filled with torment and irrepressible anger; but it is also a heart filled with hope—the hope that the human community can move forever away from such evil, not by forgetting but by remembering.

In his acceptance speech, Mr. Wiesel speaks of the dangers of failing to act against such atrocities:

I learned from the perils of language and those of silence. I learned that in extreme situations when human lives and dignity are at stake, neutrality is a sin. It helps the killers, not the victims . . . I have learned the danger of indifference. For the opposite of love, I have learned, is not hate, but indifference.

This theme of taking an active role to prevent further actions of genocide is seen throughout Mr. Wiesel's writings, and is in large part responsible for his receiving the Congressional Gold Medal. We as a nation must assume the responsibility of taking an active role in the prevention of genocide. I urge my colleagues to formalize our commitment by ratifying the Genocide Treaty.

Mr. President, I ask unanimous consent that the acceptance speech by Elie Wiesel be printed in the RECORD.

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

WIESEL: "I HAVE SEEN THE SS AT WORK . . . THEIR VICTIMS"

(A transcript of remarks yesterday by Holocaust survivor Elie Wiesel as he accepted a Congressional Gold Medal from President Reagan:)

Mr. President, speaking of reconciliation, I was very pleased that we met before so a stage of reconciliation has been set in motion between us. But then, we were never on two sides. We were on the same side. We were always on the side of justice, always on the side of memory, against the SS and against what they represent.

It was good talking to you and I'm grateful to you for the medal. But this medal is not mine alone. It belongs to all those who remember what SS killers have done to their victims. It was given to me by the American people for my writings, teaching, and for my testimony.

When I write, I feel my invisible teachers standing over my shoulders, reading my words and judging their veracity. And while I feel responsible for the living, I feel equally responsible to the dead. Their memory dwells in my memory.

Forty years ago a young man awoke and he found himself an orphan in an orphaned world. What have I learned in the last 40 years? Small things. I learned the perils of language and those of silence. I learned that in extreme situations when human lives and dignity are at stake, neutrality is a sin. It helps the killers, not the victims.

I learned the meaning of solitude, Mr. President. We were alone, desperately alone. Today is April 19th, and April 19, 1943, the Warsaw ghetto rose in arms against the onslaught of the Nazis. They were so few and so young and so helpless. And nobody came to their help. And they had to fight what was then the mightiest legion in Europe.

Every underground received help, except the Jewish underground, and yet they managed to fight and resist and push back those Nazis and their accomplices for six weeks. And yet, the leaders of the free world, Mr. President, knew everything and did so little, or nothing, or at least nothing specifically to save Jewish children from death.

You spoke of Jewish children, Mr. President. One million Jewish children perished. If I spent my entire life reciting their names, I would die before finishing the task.

Mr. President, I have seen children—I have seen them being thrown in the flames alive! Words—they die in my lips. So I have learned, I have learned, the fragility of the human condition.

And I'm reminded of the great moral essayist, the gentle and forceful Abe Rosenthal, having visited Auschwitz, once wrote an extraordinary reportage about the persecution of Jews, and he called it, "Forgive them not Father, for they knew what they did."

I have learned that the Holocaust was a unique and uniquely Jewish event, albeit with universal implications. Not all victims were Jews. But all Jews were victims. I have learned the danger of indifference, the crime of indifference. For the opposite of love, I have learned, is not hate, but indifference.

Jews were killed by the enemy, but betrayed by so-called Allies who found political reasons to justify their indifference or passivity.

But I've also learned that suffering confers no privileges. It all depends what one does with it. And this is why survivors of whom you spoke, Mr. President, have tried to teach their contemporaries how to build on ruins, how to invent hope in a world that offers none, how to proclaim faith to a generation that has seen it shamed and mutilated. And I believe, we believe, that memory is the answer—perhaps the only answer.

A few days ago, on the anniversary of the liberation of Buchenwald, all of us Americans watched with dismay and anger as the Soviet Union and East Germany distorted both past and present history. Mr. President, I was there. I was there when American liberators arrived. And they gave us back our lives.

And what I felt for them then nourishes me to the end of my days, and will do so. If you only knew what we tried to do with them then, we who were so weak that we couldn't carry our own lives—we tried to carry them in triumph!

Mr. President, we are grateful to the American Army for liberating us. We are grateful to this country—the greatest democracy in the world, the freest nation in the world, the moral nation, the authority in the world. And we are grateful especially to this country for having offered us haven and refuge and grateful to its leadership for being so friendly to Israel.

Mr. President, do you know that the ambassador of Israel, who sits next to you, who is my friend and has been for so many years, is himself a survivor? And if you knew all the causes we fought together for the last 30 years you should be prouder of him. And we are proud of him.

And we are grateful, of course, to Israel. We are eternally grateful to Israel for existing. We needed Israel in 1948, as we need it now. And we are grateful to Congress for its continuous philosophy of humanism and compassion for the under-privileged.

And as for yourself, Mr. President, we are so grateful to you for being a friend of the Jewish people, for trying to help the oppressed Jews in the Soviet Union, and to do whatever we can to save Scharansky and Abe Stolar and Josef Begun and Sakharov, and all the dissidents who need freedom. And, of course, we thank you for your support of the Jewish state of Israel.

But, Mr. President, I wouldn't be the person I am, and you wouldn't respect me for what I am, If I were not to tell you also of the sadness that is in my heart for what happened during the last week. And I am sure that you, too, are sad for the same reasons.

What can I do? I belong to a traumatized generation. And to us, as to you, symbols are important. And furthermore, following our ancient tradition—and we are speaking about Jewish heritage—our tradition commands us "to speak truth to power."

So may I speak to you, Mr. President, with respect and admiration of the events that happened. We have met four or five times. And each time I come away enriched, for I know of your commitment to humanity. And, therefore, I am convinced as you have told us earlier when we spoke that you were not aware of the presence of SS graves in the Bitburg cemetery. Of course you didn't know. But now we all are aware. May I, Mr. President, if it's possible at all, implore you to do something else, to find a way, to find another way, another site. That place, Mr. President, is not your place. Your place is with the victims of the SS.

Oh, we know there are political and strategic reasons. But this issue, as all issues related to that awesome event, transcends politics and diplomacy. The issue here is not politics, but good and evil. And we must never confuse them, for I have seen the SS at work, and I have seen their victims.

They were my friends. They were my parents. Mr. President, there was a degree of suffering and loneliness in the concentration camps that defies imagination. Cut off from the world with no refuge anywhere, sons watched helplessly their fathers being beaten to death. Mothers watched their children die of hunger. And then there was Mengele and his selections, terror, fear, isolation, torture, gas chambers, flames, flames rising to the heavens.

But, Mr. President, I know and I understand, we all do, that you seek reconciliation. So do I. So do we. And I, too, wish to attain true reconciliation with the German people. I do not believe in collective guilt, nor in collective responsibility. Only the killers were guilty. Their sons and daughters are not. And I believe, Mr. President, that we can and we must work together with them and with all people. And we must work to bring peace and understanding to a tormented world that, as you know, is still awaiting redemption.

I thank you, Mr. President.

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

The ACTING PRESIDENT pro tempore. The Senator has 8 minutes and 20 seconds remaining.

Mr. PROXMIRE. Mr. President, I am happy to yield it to my good friend from New York, the distinguished senior Senator.

The ACTING PRESIDENT pro tempore. The Senator from New York.

ELIE WIESEL

Mr. MOYNIHAN. Mr. President, it is a noteworthy coincidence that the distinguished senior Senator from Wisconsin should take the floor at the outset of this week of the Congress to speak of the remarks made by Elie Wiesel at a White House ceremony on Friday last, when Mr. Wiesel received the Congressional Gold Medal from the hand of President Reagan. It happens that I have come to the floor for the very same purpose and had meant to place in the RECORD the statement Mr. Wiesel made on that occasion. I am honored to speak in the company of Senator PROXMIRE to a subject which was also the subject of Elie Wiesel's remarks.

There are not many of us in my generation who will forget William Faulkner's brief address when he accepted the Nobel Prize for literature in Stockholm in which he said that it was his deepest conviction that mankind would not merely endure but would prevail.

Of all the examples we have had of that in our time, I cannot think of a more moving one, a more important one, than Elie Wiesel's response to the statement by the President on Friday, with respect to the announced intention of the President shortly to visit the military cemetery at Bitburg, West Germany in which members of the Waffen SS are buried. Wiesel spoke in the ancient tradition of the Jewish people, which he described in its most succinct and explicit form as speaking truth to power.

It is something few are able to do, few are encouraged to do, and yet it is utterly necessary in the face of silence—silence of which the Senator from Wisconsin spoke.

Speaking truth to power, Elie Wiesel first accepted the Congressional Medal as being awarded by the people of the United States and then asked the President would he not reconsider his decision to visit the military cemetery at Bitburg. The terms in which he spoke were not embittered, were not hostile, were not threatening; rather, they were pleas for understanding on the part of someone else, and he felt he could evoke that understanding. He said of his first response on hearing news of the President's plans had been to think that his perplexity was infinite.

He said, "Mr. President, that place is not your place. Your place is with the victims of the SS."

Mr. Wiesel did not say there should be no reconciliation with Germans, as I would not say. Rather, he said, "I do not believe in collective guilt nor in collective responsibility. Only the killers were guilty."

That is who is buried at Bitburg. To visit their gravesites and honor collectively a group of dead which includes them is a measure of moral insensitivity that we must not permit in our Presidency. By "permit," I mean that we must, in every way, address the President's clear capacity to see what has happened and to reverse his decision.

For he need not, ought not, do this thing. If he were to do it, he would provide symbolic amnesty to the most hideous events mankind knows. And he will have accommodated that moment in 1945, 40 years ago, when we learned what man is capable of, things we had not previously thought possible, things we had thought the human race could not do, and learned, in those horrible moments of the liberation of the concentration camps, what had been done. And the camps were run by the SS.

The New York Times of Sunday, April 21, published the transcript of the broadcast by Patrick Gordon Walker from the camp that the President now plans to visit, on the day the British liberated it in 1945. He described a British soldier in a hut passing out milk, and a mother came in, holding her baby, asking for milk for the baby. The soldier took the baby and realized the baby had been dead for days. It had turned black. Still, the mother asked for milk, and the soldier took a ladle and poured some milk on the mouth of the dead child. The mother, murmuring happiness, shaking with joy at the thought that her child's life might be saved, staggered off 10 feet and dropped dead.

That was what happened in those camps. That is where the President belongs, at memorials to the victims. He should not be with the persons who committed those crimes against humanity, persons chosen especially for that role, who dressed differently—with skull and crossbones on their military caps, in their black uniforms—their purpose to destroy a people, the purpose of genocide effectively achieved—a subject on which the senior Senator from Wisconsin has addressed this body daily since 1967——

Mr. PROXMIRE. Eighteen years.

Mr. MOYNIHAN. Eighteen years running.

Genocide of the Jewish people was achieved among that part of mankind which was in the reach of the SS. Genocide succeeded. There were parts of the world beyond its reach; but where its writ ruled, it largely achieved that purpose—something of which we had not thought mankind capable.

I hope that the Senate will approach this President in the spirit that Elie Wiesel did—not of threat, not of challenge, not of recrimination—but simply to ask him to turn his capacities for understanding and empathy to this subject, and to change his mind.

An American President must not do this thing; and I would say with Elie Wiesel—and I know the Senator from Wisconsin will join me—"Mr. President, that place is not your place."

We know that, without any ill will, mistaken decisions can be taken. Such events can occur. It is in the life of any public person that these things can occur. But they can be reversed; they can be stopped. It is not too late. If the visit to they SS graves at Bitburg, however, does happen, something will have been done which cannot be undone. To think that such an event could occur 40 years after the world first learned of the death camps leaves me with the same perplexity of which Elie Wiesel spoke.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 1 p.m., with statements therein limited to 5 minutes each.

NICARAGUA

Mr. MOYNIHAN. Mr. President, in the short period available to us in morning business, I should like to speak of my disappointment and concern at the language which was used by the President on Saturday in his weekly radio address concerning the vote we will cast tomorrow on the question of providing aid to the Contras in Central America.

Mr. President, the situation in Central America, lord knows is complex. The opportunities are unclear and the choices unsatisfactory. The facts are either ambiguous or are in dispute.

The more then ought Americans, public men and women, and especially the President of the United States, take the greatest care with language addressed to other Americans.

Writing yesterday in the Washington Post, Mr. Joseph Kraft—one of the most distinguished commentators on American political life of this century, a man of whom it was said when I first came to know him, a quarter century ago, that there was no one who could conceivably succeed Walter Lippmann save Kraft, who has proven equal to precisely that expectation—put the question in an article entitled, "Choice in Nicaragua." Mr. Kraft described very precisely what is our problem in this present decision.

In other circumstances, he notes, it would be of no great difficulty finding $14 million to deal with a Marxist problem in Central America. That is not what this Congress is unwilling to do for a President who is prepared to set forth goals and to acknowledge and deal with difficulties.

That this is now an uncertain outcome—that is, as recently as Thursday, White House officials were reported to expect that the outcome would not be at all what the President had proposed—is a very simple matter to Kraft, and he writes about it.

To the question how could this be a difficulty—winning appropriation of a relatively small sum to deal with what is certainly a real problem, Kraft writes:

The answer lies in the systematic disingenuousness of President Reagan and his top associates in dealing with Congress on Nicaragua. By duplicity, sham and hypocrisy—

He writes—

this administration has aroused in Congress an apparent disinclination to cooperate.

Mr. President, I ask unanimous consent to have printed in the RECORD Mr. Kraft's column.

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

CHOICE IN NICARAGUA

(By Joseph Kraft)

By all the norms of congressional behavior, the president's request of $14 million to aid the rebels fighting Nicaragua should have swept through the House and Senate. So the interesting question is why there has been a fuss over releasing such a small amount of money for the generally popular cause of harassing a Marxist regime.

The answer lies in the systematic disingenuousness of President Reagan and his top associates in dealing with Congress on Nicaragua. By duplicity, sham and hypocrisy, the administration has transformed lambs into lions.

The case for continuing aid to the contras commands powerful arguments. The contras are fighting a Marxist regime that has enjoyed support from Fidel Castro and the Soviet Union. By undertaking to help them back in 1981, the United States made a commitment it should not lightly cast aside. Congress, having been in at the takeoff, has a moral obligation to go the distance, unless something truly horrendous changes the circumstances.

Nobody can say, moreover, what disaster might befall the contras if they were suddenly denied American support. Nor what would be the reaction of other, pro-American states in the area. The specter of a Central American drift toward accommodation with Nicaragua cannot be ruled out. Rather than court the onus of such disaster, the politically safe course is to go along with the president and pay the $14 million. It is like paying the $2 traffic fine rather than fighting City Hall.

The systematic deception that undid that norm begins with the CIA. The original rationale for aid to the contras was interdiction of arms shipments from the Sandinistas in Nicaragua to left-wing rebels in El Salvador. As it happened, the agency was never able to produce so much as a shotgun in the way of intercepted arms traffic. So it gradually became accepted that the purpose of aid to the contras was harassment of the regime in Nicaragua.

Then in February 1984 came the mining of the harbors by personnel working closely with the CIA. Director William Casey, though obliged to give the intelligence committees prior notice of "significant anticipated activities," did not inform the Senate Intelligence Committee in advance. According to Sen. Daniel P. Moynihan, the New York Democrat who was vice chairman of the Intelligence Committee, Casey mentioned the mining only five weeks after the event. Casey then said the operation involved not harbors but anchorages.

Casey continued the flimflam with a booklet instructing the *contras* in terror tactics. In October 1984, before a Senate vote that held up the Nicaragua program, Moynihan gave this explanation for the failure to support Reagan: "This failure arose from the decision of the director of central intelligence not to consult with our committees, not to take us into his agency's confidence and ask our advice about a hugely significant covert action, the mining of Nicaragua harbors.

Since then the level of misrepresentation has graduated. On April 4 of this year Reagan appeared with President Belisario Betancur of Colombia at the White House to announce a peace plan for negotiating with Nicaragua. Reagan later unveiled a proposition whereby the U.S. accorded two months of humanitarian aid to the *contras;* if the Sandinistas agreed to negotiate with the rebels, the aid would stay humanitarian; if they refused, the aid would become military again. But subsequently, Betancur said that trying negotiations to aid for the rebels made the plan "no longer a peace proposal, but a preparation for war."

On April 17 Reagan told the visiting leader of Algeria that "Pope John Paul II had been most supportive of all our activities in Latin America," But the pope's representative to the United States, Archbishop Pio Laghi, said John Paul II did not support military aid.

A larger confusion envelops individual bits of double dealing. The Pentagon repeatedly says it has no plans for using American forces in Nicaragua. Gen. Paul Gorman, former commander of U.S. forces in Central America, testified there was no way the contras could unseat the Sandinista regime. Still, Reagan intimates that the United States cannot live with the Sandinista regime and will somehow force it to say "uncle." But how?

In this situation, congressional Democrats became determined not to write a blank check for the president on Nicaragua. They are not going to back his $14 million request without strings. But even so they do not want to repudiate Reagan on an issue of foreign policy and national security. So House Democrats are drafting an alternative resolution, which provides that the $14 million be released—but with part of it going to the Red Cross for humanitarian aid to the contras and others. The rest would go to support diplomatic efforts for a settlement.

Now the ball is in Reagan's court. The White House has said he will compromise. But in what spirit? Will he keep up the anti-communist rhetoric? And the claim the United States cannot live with a Marxist regime in Central America? Or will he embrace a compromise that points American policy directly toward a negotiated settlement in Nicaragua? The choice puts to an acid test a central question—whether Reagan is more bark than bite, more ideological than pragmatic.

Mr. MOYNIHAN. Mr. President, I very much agree with Mr. Kraft's assessment and I suggest that the proof of his case was presented by the President himself on Saturday, after Mr. Kraft's column had been written, I understand, when Mr. Reagan went on the radio to tell the American people:

The Sandinista Communists are lobbying your Senators and Representatives,

presumably to vote against the President.

Now, Mr. President, I have not been lobbied by any Sandinista Communists. I do not know anyone else in this Chamber who has been.

Why does the President say that? What does he mean to imply? Does he imply that those who do not vote with him on this matter shall have decided instead to side with "the Sandinista Communists." Does he mean that we will have rejected his concluding proposition:

Don't let the Sandinista Communists and their sympathizers be the only voices heard. Let our Members of Congress and Senators hear the voices of you who love liberty and democracy, too.

Will that mean that those of us who do not support the President on the vote tomorrow will be found not loving liberty and democracy, too?

Will that extend equally to that most eminent Member of this body and a member of the President's own party, the senior Senator from Oregon, MARK O. HATFIELD, who chairs the Senate Appropriations Committee, which voted on this matter last Thursday. Senator HATFIELD has made a decision on this matter and has said he cannot support this aid. I quote him from the press on Friday:

To me, it is an abandonment of our traditional belief in the sanctity of law.

That is the view of a man of consequence, a Senator of experience, of conscience, of integrity. One could not find his equal in this body, could not find anyone more so.

He has arrived at a different view of the question of aid to the Contras than has the President. His decision has followed the statements of the President, who in recent weeks has made clear that the object of the support given to this group of persons in Central America is to bring about a change in the regime in Nicaragua of a kind that would have to be described as profound and radical, indeed, could only mean a replacement of the regime.

The question then arose; was this something that we would have a right to do under international law, under the Rio Treaty on collective defense, under the terms of the Charter of the Organization of American States?

That is a perfectly legitimate question and raising it ought not to invite the charge that this concern arises only from Sandinista Communists lobbying America's Senators.

It also trivializes the very real and serious issues that ought more directly to be addressed by the President and this Congress. The United States, Mr. President, is going to have to learn to deal with the appearance of Marxist-Leninist regimes in the Third World for some time to come.

Between now and the year 2000, I would think that 10 to 15 such regimes will appear in the world—increasingly on the margin of world affairs, as the ripple of Marxist-Leninism makes its way out from the metropolitan centers of the world, where it is no longer believed and no longer has influence. These ripples will appear, in Africa, in Latin America, in Asia—even as the original splash fades at the center—and we are going to have to devise coherent responses that do not, in the first instance, always assume that what we see here can only be the product of direct Soviet intervention.

To think that is to be blind to the politics and the history of these parts of the world and to be incapable of influencing them save by escalating situations we cannot competently predict from regional to global dimensions and to make them more dangerous by making them become conflicts between the superpowers themselves.

On this the 40th anniversary of the end of the Second World War, it is appropriate to recall a bit of what we have learned about influencing other regimes. Let us remember that the United States very successfully took fiercely totalitarian regimes, such as those of Germany and Italy, and just as implacably authoritarian regimes, such as that of Japan, and with care, effort, and understanding transformed those societies into stable democracies which today count themselves so integral a part of the democratic world.

We took governments such as those of France, at one time imminently in danger of a Communist coup, and we helped stave it off. We prevented it. It did not happen. Recall that in 1947 in Europe the likelihood was at least one in two that it was not completely clear that there would emerge a completely democratic Western Europe. Rearming NATO in the first days was an organization not devised to repel a Soviet invasion from the east but rather to control the streets of the nations of Europe just recovering from the war, trying to establish democratic regimes in the face of the possibility of Communist assaults—open, physical assaults on the streets of Paris, of Brussels, of Rome, and then more dramatically in Athens and Istanbul.

We did that and it is to our great credit, and it has had consequences. We are going to have to learn to do something not less thoughtful and careful in the appearances of Marxist-Leninist regimes in smaller, less politically and economically developed places in which we have only limited access and little influence, societies that do not have Konrad Adenauers, and do not always have the kind of persons that rebuilt Europe in its time.

While we should be careful, and farsighted, we ought not panic each other or the American people. A bit of clearheadedness is necessary.

One notes in these Third World regimes who assert their Marxist-Leninism certain recurring characteristics; one notes certain uniformities.

The appearance of such a regime is usually accompanied by a great deal of interest and celebration in certain circles in the United States and in Europe. I do not mean to be light about a serious subject, but these people are quite visible in Managua right now. They certainly were there a year-and-a-half ago when I visited the place—foreign students in the main, young people who arrive as sympathizers and dedicate themselves to the building of a new society. The half-life of that fashion is about 5 years.

When was the last time anybody went off on a chartered plane to help harvest the Cuban sugar cane crop or plant rice in North Vietnam? It will not be long before no one picks cotton or coffee in Nicaragua. They will be off to another, newer, more fashionable revolution-in-being.

As the reality of each of these regimes presents itself, the world either celebrates, as I have noted, or says "Oh, my God, not another one of those!" because regimes are, not astonishingly, similar in the squalor of their politics and the mechanical devices by which they proceed through one form of misrepresentation to the other to the establishment of a Leninist regime. As the same people celebrate, while the same others decry the arrivals of these regimes, we know they are remarkably alike. They imitate a model which is increasingly well understood, and we are going to have to deal with that, and address more intelligently the life cycles of these regimes. When are they at their most dangerous to their neighbors? When are they most amenable to negotiations, and about what?

When will they grow tired of the Marxist-Leninist model, and look to the West for an alternative?

On another occasion, I should like to address, perhaps at great length, some of the possibilities by which we might think about how we go about it. Suffice for now to say, Mr. President, that we do not go about it by insinuating or stating that those who have different views on the matter must be influenced by Communists. Let us not have that, not 40 years after the United States had to rise up and face the reality of a genuine Communist threat in the world, of internal Communist subversions that could have taken Europe away, just in the very moment of liberation. The United States arose proudly and successfully to that situation. We arose to it in Greece and Turkey, and we arose with the Marshall plan the following year, and with NATO the year after that. We had some successes, and they were solid and they endure and we did them together as Americans agreed on what was our purpose and our policy.

Let us not start attacking each other. What is this business of "Sandinista Communists are lobbying your Senators"? I have not been lobbied. I doubt very much that MARK HATFIELD has been so lobbied.

If anyone would like to talk to me, I suppose I would talk to them. Come to think of it, I believe the Nicaraguan Ambassador asked to see me some weeks ago. I have not found time yet to see him, but not out of any great fear of seeing—or being seen with—any Communists.

Our votes will be based on our judgment as what is best for the United States. We will not have that judgment influenced by the diabolic and Manichaean influence of Sandinista Communists. For the President to suggest the contrary is to invite us to respond that, "Mr. President, at that level of debate, the Senate has no choice but to refuse what you have requested," if only to make the point that there are terms of civility in political discourse that are as important as the issues of policy itself.

I see Senator PRESSLER, who would like the floor, has been patient in this matter, and I would like to express my appreciation to him.

Mr. President, I ask unanimous consent that the President's radio address of Saturday be printed in the RECORD at this point, along with the New York Times story by Mr. Steven Roberts, which reports the views of my distinguished friend and chairman, Mr. HATFIELD.

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

RADIO ADDRESS OF THE PRESIDENT TO THE NATION

CAMP DAVID

The PRESIDENT. In a few days, Congress will vote on whether or not to support our proposal to help restore peace and democracy in Nicaragua. Few votes will ever be so important to the survival of democracy in Latin America and the Caribbean. Few votes will ever be so important to the national security of the United States.

On March 1, the leaders of the democratic resistance of Nicaragua—the so-called Contras—sent a peace proposal to the communists who've taken over their country. The proposal called for a cease-fire and Church-mediated negotiations that would lead to free and honest elections.

We've asked the democratic resistance to extend their offer until June 1, and we're asking Congress to show its support for peace negotiations by releasing humanitarian aid to the democratic resistance. This support is crucial.

Negotiations would be our best and possibly last opportunity to steer the Sandinista communists away from their present brutal course and back toward the democratic and peaceful promises of their revolutions.

The responsibility now rests squarely on the shoulders of Congress. A vote for humanitarian aid to the democratic resistance will signal the United States' resolve on this issue. And courage and resolve are the only way to convince the Sandinista communists to come to the negotiating table.

A vote against our proposal, however, could mean the beginning of the end of all hopes of peace and democracy in Central America. Already the followers of Qaddafi and the Ayatollah Khomeni are in Nicaragua—about two hours by air from United States borders. And just this week, we confirmed the presence of Russian military personnel in the battle zones of northern Nicaragua.

The Soviet terrorist Bloc nations know what is at stake in Nicaragua. That's why, in the seven months since Congress cut off aid to the democratic resistance, they've been pouring in weapons and personnel to their Communist allies hoping to wipe out the democratic forces while they're most vulnerable.

And that's why, rather than negotiate with the democratic resistance, the communists are still betting that the United States will abandon its friends. A recent article in The New York Times reported that the "Sandinistas pin hopes on Congress." You heard me right. The Sandinista communists are lobbying your Senators and Representatives. Together with the misguided sympathizers in this country, they've been running a sophisticated disinformation campaign of lies and distortion.

And, now, we're told that in a cynical attempt to manipulate public opinion and our Congress the communists may put forth an eleventh hour so-called peace proposal, a proposal aimed at blocking aid to the democratic resistance and giving the communists a free hand to tighten their grip on the Nicaraguan people. The communists know that if they can persuade Congress to cut off aid they'll never have to negotiate with the democratic opposition. And they believe if they can stop aid to the democratic resistance nothing can stop them.

Unfortunately, some are using this issue to play partisan politics. Before we'd even announced our peace plan, the Speaker of the House called our peace offer a "dirty trick." How could Church-mediated peace negotiations be a dirty trick? Do they really think the Church would ever cooperate in a trick?

The opponents of our plan in the House have announced a formula for turning the democratic resistance into homeless refugees. Their alternative to a plan for peace and democracy would only provide assistance to the democratic forces if they abandon their struggle to liberate Nicaragua—in other words, surrender to communism. They would, in fact, aid the Soviet-Cuban Sandinista effort to get rid of the democratic resistance.

We're asking Congress to be consistent and support those who are fighting communism in Nicaragua, just as we support the democratic resistance in Afghanistan and Cambodia.

Let me speak plainly. Any proposal that abandons over 15,000 members of a democratic resistance to communists is not a compromise; it's a shameful surrender. If Congress ever approves such a proposal, it would hasten the consolidation of Nicaragua as a communist-terrorist arsenal. And it would give a green light to Soviet-sponsored aggression throughout the American mainland, ultimately threatening our own security.

But Congress can prevent a crisis by supporting peace negotiations now. Don't let the Sandinista communists and their sympathizers be the only voices heard. Let our Members of Congress and Senators hear the voices of you who love liberty and democracy, too. Let's give peace a chance in Nicaragua and in all of Central America.

Until next week, thanks for listening. And God bless you.

[From the New York Times, Apr. 19, 1985]

REAGAN REPORTED TO POSTPONE MOVE ON REBEL ARMS AID

(By Steven V. Roberts)

WASHINGTON, April 18.—Faced with almost certain defeat in Congress, President Reagan has agreed for now to accept a compromise proposal to postpone military aid to the rebels fighting the Nicaraguan Government, a White House official said tonight.

The official said the President would accept an arrangement under which any American aid to the rebels between now and Oct. 1 could be used only for "nonlethal" purposes. That would include trucks and uniforms, the official said, but not guns and ammunition.

Republicans and Democrats in both houses were still working on various compromises tonight and many of the details remained uncertain. But the Democrats favor legislation that would provide only humanitarian aid, such as food and clothing, and would be more restrictive than the compromise backed by the White House.

BYRD PROPOSES TALKS

This evening, Senator Robert C. Byrd of West Virginia, the Democratic leader, met Democratic lawmakers and then telephoned President Reagan with an offer to discuss possible compromises. The President replied that such a meeting would be a "good idea," according to a spokesman from Mr. Byrd.

All parties to the negotiations, however, seem to have accepted the principle that no military aid will be provided for the rest of the fiscal year, which ends Sept. 30.

Asked if military aid to the Nicaraguan rebels was now dead for this fiscal year, Representative Trent Lott of Mississippi, the Republican whip, said, "I think so."

Senator James A. McClure, an Idaho Republican handling the issue in the Senate, said, "It's pretty clear that military aid is dead for an extended period of time."

RENEWED FIGHT IS SEEN

But the Republicans indicated that the Administration would renew its fight for military aid to the rebels when Congress allocates foreign assistance for the next fiscal year. "This is not the last vote on this issue," Mr. Lott said.

Last year, the Administration requested $14 million in military funds for the rebels, to be funneled through the Central Intelligence Agency. The lawmakers allocated the money but said it could not be released until the new session of Congress voted to do so.

With Congressional opposition to his request growing, President Reagan proposed a new approach last month, saying the aid would be used only for humanitarian purposes if the Sandinistas agreed to begin negotiations with the guerrillas. If those talks produced no result within 60 days, however, the money would automatically be converted into military assistance.

"EMOTIONAL COMMITMENT" NOTED

This offer won few converts and Republican leaders have been telling the White House for weeks that the President's request faced virtually certain defeat. Lawmakers who have talked recently with Mr. Reagan say he has "a real emotional commitment" to the rebel cause, as Representative John R. McCain, an Arizona Republican, put it.

As a result, the White House has been slow to respond to the advice of its allies on Capitol Hill to accept a compromise. According to Republican leaders, the Administration moved only when it realized that it was facing a devastating defeat.

"They did not want the very negative sign to go out that Congress was not willing to do anything," Representative Lott said. "That would be the worst of both worlds."

During a day of fast-paced developments on Capitol Hill and in the White House, the strong emotions generated by the Nicaraguan issue were frequently on display. In remarks to a meeting of regional editors and broadcasters, Mr. Reagan said the issue carried extraordinarily high stakes.

"If we permit the Soviets, using the Sandinistas, to estabish a beachhead on the American mainland and to spread their subversion," the President said, "the free world will face a major challenge to the geopolitical balance of power.

"We could turn around one day and find a string of pro-Soviet dictatorships in Central America and a threat to our southern borders."

Mr. Reagan was clearly angered by Democratic leaders in the House who have scheduled a vote on the aid issue early next week. "I think it's immoral to demand that vote that quickly," he said.

Christopher J. Matthews, a spokesman for Thomas P. O'Neill Jr., the Speaker of the House, replied that the President was advocating a "screwball morality" that placed more importance on legislative timing than on "mining harbors and overthrowing governments".

SENATE GETS AID REQUEST

The Senate Appropriations Committee formally sent the President's original aid request to the Senate floor, but the vote was only 15 to 13, as four Republicans abandoned the President. Senator Mark O. Hatfield, the Oregon Republican who heads the panel, denounced the aid request and said, "To me, it's an abandonment of our traditional belief in the sanctity of law."

Mr. Lott also highlighted the important political implications of the debate by saying that Democrats who voted against the aid would be attacked by the Republicans should events turn sour in Central America.

But for the short term, the Democrats are eagerly looking forward to a vote next week on President Reagan's original aid package, and have brushed aside all suggestions that the vote be canceled. Many Democrats say that after losing so many votes to the President they want to win one for a change.

But the Democrats are wary of appearing too negative on the aid issue and have worked out an alternative package that will be offered after the vote on the President's original request next week. Representative

Michael D. Barnes, a Maryland Democrat who helped author the plan, said it would provide $5 million, to be funneled through the Red Cross and other international agencies, to finance "refugee relief" for the families of rebel fighters living outside Nicaragua.

SENATOR DOLE: A HERO IN THIS CHAMBER

Mr. PRESSLER. Mr. President, it was an honor recently for me to be present in Italy at a ceremony at which the Foreign Minister of Italy, Giulio Andreotti, presented our majority leader, Senator ROBERT DOLE, with a commemorative silver plate in recognition of the Senator's personal sacrifice during World War II. Giorgio Chiari, the mayor of the village of Castel D'Aiano, gave Senator DOLE a medal. Observing the ceremony with me were Senators THURMOND, MCCLURE, LAXALT, and COCHRAN. It was near the mountain village of Castel D'Aiano that ROBERT DOLE, then a young lieutenant in the U.S. Army, was badly wounded as he advanced against a German machine gun emplacement on April 14, 1945.

The year 1985 marks the 40th anniversary of many events in the war-torn year of 1945. The history books hold the stories of borders redrawn and new alliances formed. Global balances were struck that year which still dominate international politics today. But history books do not include thousands of other stories of individual courage and sacrifice which continued long after the guns were silenced and the treaties were signed. The events of those years of world war caused scars that will never heal. Yet from the actions of the men and women who lived and died in that conflict we can draw lessons to guide our own lives. In that way we can bring some purpose to war's futility and horror.

Mr. President, on the spring morning of April 14, 40 years ago this month, ROBERT DOLE was a strong young man in a regiment noted for its athletes. He had distinguished himself in a tough combat unit. His men called him the best combat leader the platoon had. But at the end of that day ROBERT DOLE lay near death, paralyzed in all his limbs. By May, the war in Europe was over, but for ROBERT DOLE the battle had just begun. He was to be hospitalized for 39 months.

Our majority leader speaks with gratitude of the doctors and therapists, the nurses and the neighbors who helped him recover. The last operation to repair the damage was in November 1947, and he was not to leave the hospital until 1948. Lesser men would have given up hope. ROBERT DOLE credits the encouragement of others for his recovery: I have seen many men in military evacuation hospitals, and I know that the most important factor is the power of will. From his struggle and triumph we can strengthen our own resolve.

Through numerous, painful operations and treatments ROBERT DOLE maintained his courage and hope. It is a privilege to serve with him in the U.S. Senate. In the day-to-day business of this Chamber, it is sometimes easy to forget the terrible price at which our liberties were purchased. From the birth of our Nation, we have been fortunate in having people willing to take on the dangerous task of protecting our way of life.

I know that my colleagues join me in sharing the esteem expressed by the Government of Italy on this anniversary of an event in one soldier's war. Senator DOLE's example is a humbling reminder of the responsibilities given to us in this Chamber, and his triumph over adversity is a personal inspiration to me and to many others.

Our majority leader's wartime record and the story of his recovery should be better known by the country he has so unselfishly served for so many years. We need look no farther than this Chamber for a true American hero.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(During the quorum call Mr. MCCONNELL occupied the Chair.)

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

The PRESIDING OFFICER (Mr. COHEN). Without objection, it is so ordered.

THE SHINING PATH

Mrs. HAWKINS. Mr. President, late last summer, my Subcommittee on Children, Family, Drugs and Alcoholism conducted a hearing into the connection between drugs and terrorism. During this hearing, numerous terrorist groups, funded in large part from the profits of illegal narcotics trafficking, were discussed. One of these groups struck me as particularly terrifying—"Sendero Luminoso"—the Shining Path of Peru.

This view is substantiated in a recent article in the Outlook section of the Washington Post on Sunday, March 24. In this article, a reporter who had lived in Peru, and had become familiar with Peruvian culture and society, discusses the adverse changes brought about by this terrorist group in Peru.

The Shining Path has had an impact not only on rural areas in Peru, but also on Peru's capital city of Lima. While this guerrilla group seems to specialize in terrorizing rural people who do not accept its domination, the city of Lima has also reacted to the terrorism of the Shining Path. As the author of the Washington Post article puts it:

> I was stunned to find soldiers and police with sub-machine guns on every corner facing the congested sidewalks. Arrests, explosions, and blackouts have become commonplace. At night, taxi drivers follow complex detours through the darkened streets to avoid the many barricades set up around police and military installations. The city's tension is palpable, all because of this small, strange band of revolutionaries.

The Shining Path is recognized as unique among terrorist groups for many reasons. Its emphasis on secrecy, its organization into small, independent cells, its small membership—estimated at 1,500–2,000—and its violent tactics tend to obscure its origins and its objectives. One conclusion is inescapable, however; the Shining Path of Peru is the most mysterious, and perhaps the most dangerous, terrorist group in Latin America today.

An aspect of the Sendero Luminoso particularly difficult to comprehend is the focus of their violence on members of their own ethnic group and economic class. The Shining Path uses the Communist logo—the hammer and sickle—and espouses Communist philosophy, but its sheer ruthlessness has led even the Chinese Communist Party to disavow the movement. This terrorist group continues to improve its presence, though, not by philosophical persuasion, but by imposing a reign of terror in whole sections of Peru.

The unstable economic, political, and social situations that exist in Peru certainly contribute to the success of the Shining Path; this, and the increasingly lucrative coca crop that funds their operations. In their professed desire to destroy modern society, the Shining Path has, and will, utilize any means, whether it is drug trafficking, murder, or kidnaping, to bring about this destruction. Through violence and fear, both the rural, Indian-speaking peasant population, and the urban, Spanish-speaking population of Peru are coerced into cooperating with the Shining Path. Peru's security forces have proved themselves unwilling or unable to deal with this group. Although the military has exerted some effort to resist the growing domination of the Shining Path, it has too often been misdirected, and innocent citizens pay the price.

Mr. President, if there is anyone left on this Earth who thinks that illicit narcotics doesn't affect each and every one of us—from the most primitive, hut-dwelling peasant in the Peruvian mountains, to the most gifted, successful comedian in Hollywood—I would like him or her to read about the Shining Path. It is incontrovertible proof that those who deal in drugs are as deadly and destructive as the drugs themselves.

REBEL FORCES IN NICARAGUA

Mr. PELL. Mr. President, on March 19, the Senate of the State of Rhode Island adopted a resolution memorializing the Congress to forbid any aid or comfort to the "Contra" forces which are attempting the overthrow of the Government of Nicaragua.

I fully endorse this resolution, as I have long opposed any form of aid to the Contras—a force guilty of perpetrating terrorist against civilians and nonmilitary targets and one bent on overthrowing the Government of Nicaragua. U.S. support for the Contras flies in the face of the administration's antiterrorism policy, and it places the United States in violation of the cherished principles of law embodied in the charters of the United Nations and the Organization of American States.

U.S. interests both in Central America and beyond are best served not by our continued support for the "Contras" but by nonmilitary initiatives such as the Contadora Peace Process which can achieve the same objectives without any of the attendant loss of human life or violation of the hemispheric principle of nonintervention. I urge my colleagues to heed the wise words of the Rhode Island Senate when it considers the release of funds to the Contras, and I ask unanimous consent that the full text of the assembly's resolution be printed in the RECORD.

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

SENATE RESOLUTION MEMORIALIZING CONGRESS TO FORBID ANY AID OR COMFORT TO THE "CONTRA" FORCES IN NICARAGUA

Whereas, The covert overthrow of governments by other governments is inimical to the principles that founded this nation and is contrary to international law; and

Whereas, The charters of both the United Nations and the organization of American states specifically prohibit the threat or use for force against another government except in self-defense or defense of an ally; and

Whereas, The "Contadora" peace process undertaken by Latin American countries themselves, demands the right to self-determination; now, therefore, be it

Resolved, That this senate of the state of Rhode Island and Providence Plantations hereby memorializes the Congress of the United States to forbid any aid or comfort to the "Contra" forces which are attempting the overthrow of the government of Nicaragua; and be it further

Resolved, That the secretary of state be and she hereby is authorized and directed to transmit a duly certified copy of this resolution to members of the Rhode Island delegation in the Congress of the United States.

RETURN OF AMERICANS FROM SOUTHEAST ASIA

Mr. PELL. Mr. President, on February 26 the House of Representatives of the State of Rhode Island passed a resolution memorializing Congress to bring pressure to bear on the Governments of Vietnam, Cambodia, and Laos to return American prisoners of war [POW's] and missing in action [MIA's].

The memory of the Vietnam conflict still burns in the hearts and minds of the American people. Questions remain about the legacy of this war, but on one point I think we all are clear: The American soldier served his country with courage and distinction. In 1983, the country at long last honored the sacrifice of those who served so selflessly in Vietnam with a granite memorial of exceptional dignity bearing the names of the thousands of Americans who never returned from this tragic conflict. Today, the Vietnam Memorial is the second most visited monument in Washington.

For all the parades and memorials, the war has not ended for the families and friends of the 2,478 Americans who remain missing and unaccounted for in Vietnam, Laos, and Cambodia. In this regard, I commend the administration for its success both in securing the return of the remains of servicemen from Vietnam in March and in gaining access to the Pakse crash site in Cambodia where 13 Americans had previously been unaccounted for.

Mr. President, I believe we must capitalize on the success of these efforts so that the last sad chapter of the American involvement in Vietnam can be closed. I urge the Senate to press for a full accounting of the fate of those who remain in Southeast Asia, and I ask unanimous consent that the full text of the Rhode Island House of Representatives' resolution be printed in the RECORD.

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

HOUSE RESOLUTION MEMORIALIZING CONGRESS TO BRING PRESSURE TO BEAR ON THE GOVERNMENTS OF VIETNAM, CAMBODIA, AND LAOS TO RETURN AMERICAN PRISONERS OF WAR

Whereas, The resolution of this most serious issue is of utmost importance to our thousands of missing servicemen, their families and all Americans; now, therefore be it

Resolved, That this house of representatives of the state of Rhode Island and Providence Plantations hereby memorializes the Congress of the United States to bring pressure to bear on the governments of Viet Nam, Cambodia and Laos to return American prisoners of war; and be it further

Resolved, That the secretary of state be and she hereby is authorized and directed to transmit a duly certified copy of this resolution to the Rhode Island delegation in the Congress of the United States.

BUDGET CUT IMPACTS ON HIGHER EDUCATION

Mr. PELL. Mr. President, this past Sunday, The New York Times printed an article by former Secretary of Education Terrel H. Bell on the devastating impact that the administration's student aid proposals would have on private colleges and universities. Secretary Bell's article offers great insight into the current education budget debate. Its argument is characteristic of the former Secretary's sound and objective analysis, and demonstrates, once again, his sincere concern for students as well as institutions of higher education. I ask unanimous consent that the text of this article be printed in the RECORD. I am hopeful that my colleagues will make note of the fine statement it makes against the administration's current budget proposals with respect to higher education.

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

BELL CRITICIZES "ASSAULT ON THE PRIVATE COLLEGES"

(By T. H. Bell)

The proposals originally advanced by the Director of Management and Budget, David Stockman, to place new limits on Federal aid to college students constitute an unwitting assault on the nation's private colleges and universities.

The proposals—that no federally supported loans would be made to families with incomes above $32,500 and that the total amount of Federal loans, grants and work-study aid for any one student would not exceed $4,000—would result in transfer of thousands of students from private to public institutions. For this reason this higher-education package flies in the face of the arguments advanced by the Reagan Administration that Government policy should encourage the private sector to do more so that government can do less. Public college and university costs are subsidized by taxpayers who support these institutions through state and local taxes. Most state higher-education systems fix their institutional budgets by using a formula that is driven by student enrollments. More students transferring from private to public institutions because they can no longer qualify for Federal student aid will obviously drive up the costs to taxpayers in the states.

Thus the transfer of students from private to public institutions will be accompanied by transfer of higher-education expenses from the Federal budget to state budgets. Thus the shift of enrollments will, in turn, result in underutilized physical plants at many private institutions and a demand for new construction on campuses of public institutions.

The Stockman proposals apparently assume that government-operated institutions are more efficient and cost-effective than the private colleges and universities because tuition is much lower. This assumption ignores, however, the fact that state appropriations are an indirect tuition subsidy. States subsidize some of the cost of attendance at public institutions through providing larger loans and grants to the students who choose to attend these institutions as contrasted to the size of the loans and grants to students who attend low-tuition public institutions. But it is not true that great numbers of students who neither need nor deserve a loan are ripping off the taxpayers so they can live in luxury on campus.

The Stockman proposals are not new. They were advanced in earlier years, but

they were easily shot down in deliberations inside the Administration because they were so obviously harmful to many deserving students as well as many institutions that depend on tuition revenue to remain solvent.

President Reagan established a Cabinet council procedure to facilitate review of critical issues faced by his Administration. In group discussion meetings with other members of a Cabinet council, each Cabinet officer had an opportunity to make presentations, voice issues and object to proposals of others. Ronald Reagan often sat in on these sessions. His schedule did not permit participation in all of them. Additionally, Cabinet officers had the right to appeal decisions on budget levels to the President's Review Board comprised of James Baker, Edwin Meese and Mr. Stockman. In unusual situations one could even appeal directly to the Oval Office.

To his great credit, the President made his Cabinet members accountable, and he provided ample opportunity for us to remonstrate over O.M.B. decisions. Through this procedure this writer was able to expose weaknesses in new proposals constantly coming out of O.M.B. to emasculate programs of student financial aid. These procedures also highlighted needed reforms in student aid as O.M.B. brought forth some telling criticism that led to changes in the law and in our Administration.

This process apparently did not work well in the current budget preparation cycle. Under the great stress of our horrendous deficits these old ideas found their way into budget recommendations. They should have been debated more thoroughly and the consequences analyzed more carefully inside the Administration. But 1984 was an election year, and it was not until after Nov. 4 that the top policy-makers had an opportunity to spend full time on matters such as this.

There are certain basic costs required to operate any college. As enrollments decline, those students remaining in the private colleges will be faced with enormous escalations of tuition charges to cover basic costs previously paid from a much higher enrollment base. As this happens even more students will transfer to public institutions. Without the existing student-aid program many of our finest private colleges would have closed their doors years ago.

O.M.B. budget analysts have failed to disprove this in the past in debates we have previously had on the issue that many private colleges cannot survive the huge enrollment loses they might inevitably absorb.

The threat of massive enrollment shifts will cause at least some damages at the private liberal-arts colleges even if the proposals are not enacted. Students are now making decisions as to where to go to school. Many will choose not to attend a private liberal-arts college because of the uncertainty about student aid that will be available in the fall. And this issue will likely not be settled until the fall if Congress disposes of its business at the usual rate.

When an institution's stability is in question the faculty members start looking for other positions. The most distinguished professors are the most mobile. They can easily move to another institution, and the drain on the most qualified faculty will change the basic nature of many prestigous liberal-arts colleges. It takes years to build a distinguished college, and it takes only a few months to tear it apart if the rumor mill begins to start an academic panic.

America's system of higher education is the envy of the world. It has grown over the decades into a healthy mix of public and private colleges and universities. Its diversity is a significant part of its strength. Alongside our distinguished state research universities exist private institutions that are the hallmark of excellence. Some of the best low-income students strive to meet rigorous academic admissions requirements. Some enter directly from high school; others who cannot qualify initially find the motivation to redeem themselves academically in local or regional colleges and then subsequently realize the dream of entering a Harvard, a University of California at Berkeley or other institution with national reputation. But the motivation is there because our government has offered the financial assistance to those who otherwise would not dare to dream of such aspirations. One could argue that we should simply tell these low-income students to plan to go to the Berkeleys and we will write off the Harvards or maintain them for the wealthy, but this would be a foolish policy.

Some remarkable liberal-arts colleges have set the nation's standards for liberal learning in the arts, sciences, and humanities on the undergraduate level. Many of the nation's greatest political leaders, scientists, and industrial executives were educated in these colleges, which add a dimension to the total picture of American academe that we must preserve. O.M.B. budget analysts have not understood this, though this writer spent four years trying to explain it.

The Federal Government's policy of providing financial aid to students rather than subsidizing the institutions is a wise practice.

We have been able to nurture an aristocracy of academic excellence in preference to one of wealth. Under this wisdom, we promise the gifted and talented an equal opportunity if such students are willing to spend the long hours of intense effort demanded to gain admission to our most distinguished institutions. We take away the motivation and hope when we tell a low-income student of great promise that he or she cannot aspire to gain admission to the institution prized by so many.

The criticism that there have been abuses in student loans through defaults cannot be denied. These are exceptional situations, though, that should not result in penalizing the great majority of our students who need the assistance and will pay back the loans as well as pay higher taxes made possible by the education they attain. Moreover, the default rate has been declining in recent years, and loan-default collections were increased threefold during the first four years of the Reagan Administration.

The amendments that we were able to persuade the Congress to enact have resulted in meeting most but not all of the criticisms of the student-aid programs. For example, students with annual family incomes in excess of $30,000 must, under present rules, prove need through the needs-analysis system that is well established in higher education.

Several million conscientious and deserving college students avail themselves of government financial assistance and without such assistance they would not be able to pursue their goals.

Money for student financial aid is a high-priority investment of the taxpayers' dollars. It helps students to help themselves by making them productive, intelligent and self-sufficient. It represents an investment that makes taxpayers out of potential tax eaters.

The return to the taxpayer over the years is very high. In short, the student-aid program is good public policy, and the radical changes currently proposed are not justified.

Thousands of families have been planning to utilize student loans and other forms of financial aid to help them meet the high and growing costs of higher education.

As their plans are revised and as vast numbers of students move to the low-tuition schools that are heavily subsidized by state taxes the Federal budget will be relieved of a few dollar demands, but the headaches will simply shift from the hearing rooms of Congressional appropriations committees to their counterparts in the legislatures of the 50 states.

The stress and pain on students in changing institutions, the relocation of faculty and staff, expansion of facilities on public campuses and the abandonment of existing physical plant on private campuses must all be calculated in assessing the cost of this profound change in Federal policy.

The wealthy will be the only ones able to attend schools where the tuition is high. In order to keep losses of students from reaching disastrous proportions, some institutions will be tempted to lower academic standards to admit the least-well-prepared students who have the money to pay the costs.

As we strive for equal opportunity in higher education, we must provide both access and choice among the public and private instiutions.

We do not want a policy that segregates students with the wealthy attending private institutions and the moderate- and low-income students attending the public colleges.

We have a student-aid program that has some imperfections. Let's correct them as the Higher Education Act comes up for renewal in 1985. But let's keep the existing philosophy that promises all academically able students an equal chance.

Equality of educational opportunity leads to unequal results based upon the willingness of the nation's students to work diligently to reach the outer limits of their ability.

NATIONAL DRUG ABUSE EDUCATION AND PREVENTION WEEK

Mr. CHILES. Mr. President, the Senate recently passed legislation that would designate this week April 21-27, 1985, as "National Drug Abuse Education and Prevention Week." These dates were chosen to coincide with three major events: The Parents' Research Institute for Drug Education [PRIDE] is hosting an international conference in Atlanta, GA; the Pharmacists Against Drug Abuse [PADA] is celebrating its first anniversary in its efforts to educate parents on drug abuse; and Mrs. Nancy Reagan is hosting a meeting in Washington with first ladies from other nations to discuss the problems of narcotics abuse among adolescents. Today, I would like to focus on the PRIDE conference, and the accomplishments of this organization.

PRIDE's first conference, held in 1978, was attended by less than 200 people. It was the first conference in the United States which addressed parents' concerns for drugs in youth. This year, PRIDE is expecting over 3,000 participants. In addition to the 51 guest countries that will be represented, most States will also send youth and adults to participate. The growth of PRIDE's conferences shows all too clearly the need in our country and worldwide to combat drug abuse on the front lines—in the home.

During this week's conference, PRIDE will form an international parents organization. This new group will remain in contact during the coming year via newsletters in an effort to share both problems and successes in the continuing fight to decrease the use of pleasure producing drugs.

PRIDE was founded by Marsha Schuchard and Buddy Gleaton, two concerned citizens who believed that providing parents with good health information was a crucial first step in eliminating the use of narcotics by youth.

The basic premise behind PRIDE is that parents have an innate instinct to protect their young. Thus, if parents are made aware of the threat that drugs pose to their children, these natural protective instincts will encourage parents to discuss drug abuse problems with children, and be aware of signs that a child may be under pressure to begin using drugs.

THE WAR AGAINST DRUG TRAFFICKERS

Mr. CHILES. Mr. President, in 1981 Senator NUNN and I introduced legislation to amend the posse comitatus statute which had the effect of prohibiting the military from any assistance in drug interdiction efforts. Since the passage of our amendments, the military has taken on new roles in providing surveillance, equipment, and personnel training to assist civilian agencies in combating the flow of illegal drugs into this country.

An article by UPI points out the important progress that has been made under the new statute.

Almost 2 years ago the Defense Department Task Force on Drug Enforcement was established to direct the Army, Air Force, Navy, Marine Corps, and Coast Guard in assisting Customs and local law enforcement agencies in detecting and halting drug traffickers. Forty military personnel have been assigned to the six regional Narcotics Board interdiction systems to act as a liaison between the Armed Forces and Federal and local law enforcement officials.

The UPI reports the military has become involved in various levels of support for drug interdiction programs. From the Air Force, two squadrons of C-130 Hercules hurricane-hunting planes from Keesler AFB near Biloxi, MS, and other C-130's which operate between U.S. bases and Panama are now responsible for overflying "mothership" drug-running freighters in the Gulf of Mexico. These planes were instrumental in the capture of over 100 tons of marijuana in 1984.

Navy P-3 Orion sub hunters, Hawkeyes and S-3 Viking reconnaissance planes spend 70 hours a month searching for drug smugglers. These units operate out of bases in Florida, Arizona, and California.

The Army has loaned 11 OH-6 observation helicopters to the border patrol. Additionally, the Army is loaning six $6 million Blackhawk helicopters, four stripped-down Cobra chopper gunships, and two Mohawk light planes to Customs.

Coast Guardsmen now ride aboard destroyers accompanying aircraft carrier battle groups into the Caribbean to interdict suspected drug ships.

Already these programs show success. For example, between May 1982 and November 1984 the Navy surface vessels and P-3's have been credited by the Coast Guard with the seizure of 712,447 pounds of marijuana, 46.2 pounds of cocaine, 215 arrests, and the capture of 31 ships.

While we can and should take pride in these accomplishments, we must remember that the war against drug traffickers is far from won. Illegal drugs still flow into our country at an alarming rate. Despite our stiffer laws and reinforced law enforcement agencies, much remains to be done. The 99th Congress must continue to pursue every possible avenue to strengthen our drug law enforcement capacity.

POLITICAL HUNGER

Mr. HELMS. Mr. President, attention is regularly focused primarily by some in the liberal media who like the conclusions—on a report issued by Dr. J. Larry Brown and other members of what he describes as a "Physician Task Force on Hunger in America."

Actually, Mr. President, this report is little more than a political diatribe against the Reagan administration. Its tone better befits the rhetoric of President Reagan's opponent in last fall's campaign than any serious study of the issues surrounding Federal food assistance programs. Its conclusions were foreordained by the composition—that is, primarily liberal and/or anti-Reagan—of the so-called physician's task force. It is fair to speculate whether the preeminent hunger issue for Brown's task force has been a hunger for headlines.

J. Larry Brown is indeed a doctor, but not a medical one—that is, he is a Ph.D. He has been a faculty member at the Harvard University School of Public Health. Somehow that connection has made his report a Harvard report.

In 1983, Dr. Brown testified before the Subcommittee on Nutrition of the Senate Committee on Agriculture, Nutrition, and Forestry. That testimony foreshadowed the type of faulty logic, exaggeration, and misrepresentations that would be employed in the latest report.

Dr. Brown's testimony about one study in Boston contained serious shortcomings, primarily by attempting to turn unsupportable assumptions into fact. I have outlined these shortcomings previously, but inasmuch as these and related assertions continue to receive attention, I will again urge more precise examination of the claims made by Dr. Brown. For instance, a rather spectacular charge was made by Dr. Brown at a Nutrition Subcommittee hearing conducted by Senator BOB DOLE on April 6, 1983. It was summarized in the following New York Times article:

> A survey by a Boston hospital that found an unexpectedly large number of children with stunted growth may be an indication of "silent undernutrition" among America's poor, a Harvard health specialist said today. (New York Times, April 7, 1983, B15)

The implications of Brown's testimony—as evidenced by news reports—were that the findings from this study represented a new development, that they were linked to nutrition program changes enacted during the Reagan administration, and that they may be occurring nationally.

However, Mr. President, there was absolutely no documentation in the testimony or subsequent answers to questions for any of the elements of this stark scenario. The most fundamental question in dealing with comparisons is "compared to what?" There was no evidence that the stunting statistics peculiar to the Boston City Hospital were new; indeed, no comparisons were made with previous years to form a basis for analysis. Brown admitted in response to a followup question that:

> Researchers do not know whether growth failure in this population (low-income children within Boston) was greater or less than a year ago, although prospective studies are being conducted.

No evidence was presented to suggest, much less prove, that levels of growth failure in Boston or elsewhere had any connection whatsoever to Federal nutrition programs, much less to specific changes made in these programs in the past several years. Indeed, there was no evidence from the study that there had been any change—that is, an implied reduction—in the level of Federal nutrition assistance received by the low-income households in the Boston City Hospital study. This is the type of incomplete, yet exaggerated, analysis that is

replete throughout Brown's new national report.

Most unfortunate was the portrayal by the media that the study of one hospital in inner-city Boston had produced results which somehow might have ominous national implications. The New York Times headline for the story was "Study Cited as Sign of Health Peril to Children of Poor in U.S." Even Brown stated in his testimony, not quoted in the newspapers, that "the Boston City Hospital study does not permit generalization to the larger population."

Nonetheless, Mr. President, the fiction was launched, or at least perpetuated, that nutrition program changes designed primarily to remove higher income participants and eliminate abuses were having a negative impact on low-income families.

Dr. Brown apparently decided to expand his focus and take his charges on the road in 1984 with the formation of a task force composed, more or less, of physicians. Coincidentally of course, 1984 was an election year although the public was assured that Brown's efforts were nonpartisan. Nonetheless, the doctors set out to find hunger in America, and blame it on Ronald Reagan. Probably just by happenstance, a preponderance of the States visited by Brown's entourage—seven out of eight, to be precise—had ongoing Senate elections in addition to the Presidential election.

North Carolina is variety vacation land, Mr. President, and so we were pleased to host Dr. Brown and one of his media events. Again, it was probably only coincidental that the findings from Brown's North Carolina investigation were released just prior to the November 8 election. In a truly nonpartisan fashion, certain comments by Brown, not favorable to this Senator from North Carolina, were of course included in news stories on the morning of the election.

I have no problems with Dr. Brown's right to use creative means to advance his liberal, anti-Reagan political views. But he should be straightforward in doing so. However, to do so in the guise of academic or medical respectability and objectivity undermines legitimate academic and medical research.

Dr. Brown has charged that the President's Task Force on Food Assistance, which made its report in January 1984, "basically * * * was a political undertaking." It certainly seems evident that for all of the Brown report's slick appearance and attempt at academic credibility, his group's report has been from the outset a very political undertaking. The findings do not warrant, and will not receive, serious consideration, except from those who share the liberal political objectives of its author.

Several astute commentators have examined closely beneath the veneer of Brown's hunger report. They have observed a number of the exaggerations as well as the political motivation for the findings.

Mr. President, I ask unanimous consent that two articles, by Warren Brookes and S. Anna Kondratas, be printed in the RECORD.

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

[From the St. Louis-Dispatch, Apr. 12, 1985]

THE HUNGER REPORT: VERY THIN GRUEL

(By S. Anna Kondratas)

The Physicians Task Force on Hunger in America, a group of doctors based at the Harvard School of Public Health, recently released a report claiming that hunger in America is a "national health epidemic." According to the report, "some 20 million Americans suffer from hunger." Even leaving aside questions of definition, one cannot help but be struck by the enormousness of the doctors' allegation that nearly one in 10 Americans is hungry.

Ironically, many of these same physicians participated in a 1977 study which found that America's nutrition programs were a great success and that hunger and malnutrition were no longer serious problems among the poor. What happened in the few intervening years to cause such a dramatic turnaround? To the doctors, the answer is clear: Hunger has spread rapidly because federal nutrition programs "have been weakened." Hunger has returned to the U.S. "primarily due to government failure," they said. In other words, it's the Reagan budget cuts again.

There is hunger and malnutrition in the United States today. But the report certainly does not present any solid data to convince us that 20 million people are barely surviving. For example, contrary to media reports, the physicians did not "find" 20 million hungry (let alone malnourished) people in the course of their survey. Indeed, the methodology for deriving that number is most peculiar and highly unscientific.

First, they took the 1983 poverty count of some 35 million, subtracted the 20 million food stamp recipients, and got 15 million people below the poverty line who were not receiving food stamps. They (quite correctly) state that this is a conservative estimate of the number of poor people not receiving food stamps, because some people receiving food stamps are above the poverty line. Then they decided that, by definition, anyone below the poverty line "does not have sufficient income to purchase a nutritionally adequate diet," an unwarranted assumption based on a misunderstanding of how the poverty thresholds were determined.

Next, the Task Force performed some statistical gymnastics with a few surveys, which even they described as not necessarily reliable, to estimate how many people receiving food stamps might still be experiencing hunger. Again, giving the impression that they were playing it cautious, and that their estimate was "conservative," they took the lowest survey finding (50 percent) and reduced that by half to conclude that some 5 million food stamp recipients also suffer from hunger. There is no scientific rationale for taking half of an unreliable estimate and concluding that it is anything but a totally arbitrary number. But in politics anything is possible.

Although the doctors are apparently unaware of such information, since 1979 the Census Bureau has been collecting household data on the number of food stamp recipients in poverty. Since there had been no budget cuts in our "successful nutrition programs" from 1977 to 1979—indeed, there had been substantial increases—one can safely conclude that there was no more hunger in 1979 than the doctors had cheerily documented in 1977, when they declared hunger no longer a serious problem.

What do we find? In 1979, of 26 million persons in poverty, fewer than 11 million—38 percent of poor households—were receiving food stamps. This means more than 15 million people below the official poverty line were not receiving food stamps. If one applies the task force's methodology, adding to the 15 million an arbitrary 25 percent of the remaining 11 million, the result is nearly 18 million "hungry" people in 1979—nearly one in 10 Americans, using the doctors' definition. But the doctors found malnutrition in 1977 to be negligible. In fact, they said, what they found gave them "great professional and civic pride."

Miraculously, 15 million poor people in the late 1970's—when inflation was raging—were able to feed themselves without government assistance. And the doctors found no serious malnutrition problems. But in the early 1980s, according to the Task Force, 15 million people with no government assistance are in the throes of a major hunger "epidemic"—despite an almost negligible inflation rate.

The tragedy of reports like "Hunger in America" is that people conclude, from the credentials of the authors, the prestige of the Harvard School of Public Health and the attention given it by the media, that the findings are fact. They're not. They do not establish cause-and-effect relationships between present economic policies and trends and their supposed subject of study—hunger and malnutrition. They merely make assumptions.

According to Census Bureau and Agriculture Department data, in 1979, 17.7 million people received food stamps, some 11 million of them under the poverty line, 6.7 million above. Of the 26 million people living in poverty, 42 percent received food stamps. In 1983, 21.6 million people were receiving food stamps—some 15.5 million below the poverty line and 6.1 million above. Some 44 percent of those officially considered poor received food stamps.

These figures show that not only greater numbers, but a higher percentage of the poor were being reached by the food stamp program in 1983 than in 1979. Moreover, the average per-person monthly benefit between 1979 and 1983 more than kept up with food inflation.

In the late 1970s two out of five poor Americans received food stamps and the doctors saw no hunger crisis. In the early 1980s, two of five poor Americans receive food stamps and that supposedly indicates rampant hunger.

In the "Hunger in America" task force proved anything with its study, it is not that we are in the throes of a "hunger epidemic." Rather, it is that political commitment is not the mother of scientific scholarship.

[From the Washington Times, Mar. 18, 1985]

HARVARD'S HUNGER HYPERBOLE

(By Warren Brookes)

Dr. J. Larry Brown, dean of Harvard's prestigious School of Public Health, is a committed ideologue of the far left whose political bias undermines Harvard's vaunted credibility.

On Feb. 26, Dr. Brown released an interesting "study" by the Physicians' Task Force on Hunger. The report claims that, despite $18.6 billion now being spent by the federal government on nutrition programs (an all-time high and, in constant dollars, identical with the record year of 1981), "there is a growing epidemic of chronic hunger . . . more widespread than at any time in the last 15 years."

Although the report shows no evidence of any prior-year comparable study (there was none), it confidently reports that "all of this can be traced in substantial measure to the clear and concise policies of the federal government," specifically the Reagan administration.

Citing "cuts of $12.2 billion in nutrition programs," it says we are seeing a "level of hunger not seen since the Great Depression," and asks for an immediate $7 billion increase in nutrition funding, which it said "could wipe out hunger in six months."

To show how ludicrously unscientific this "study" is, consider the facts summed up in the attached table:

From 1968 to 1981, nutrition funding rose from $613 million to $15.8 billion, a 1,502 percent constant-dollar increase. Yet, during that period, the number of persons living under poverty rose (for the first decade in history) 25 percent, from 25.4 million to 31.8 million.

More important from 1978-1981 (Carter budget years funding rose from $8.6 million to $15.8 million, a 42 percent constant-dollar increase. Yet poverty rose 30 percent, from 24.5 million persons to 31.8 million. The worst in history, a 9.1-percent annual rise, despite a 13 percent annual real rise in nutrition spending!

From 1981 to 1983 (first two Reagan budget years), nutrition spending rose from $15.8 billion to $17.95 billion—a 3 percent real rise in spending. Yet in these two years the poverty population rose only 5.4 percent a year—about half the Carter rate!

More important, because the Reagan program cut only those above 130-180 percent of poverty line ($13,000-18,000 income range) more benefits went to those below it—an increase of 4 million poor people getting food stamps (29 percent).

Virtually all the Harvard "anecdotes" about "hungry folks" described people who are actually eligible under current law—and therefore not deprived or affected, by Reagan budget cut.

The only statistical support provided in this study was the rise in the poverty population—but that was greatest under heavy Carter nutrition spending (1978-81). Aside from that, there were anecdotal reports of increased demand for emergency food aid, with no reference to the huge 500,000 rise in deinstitutionalized mental patients since 1978—a key factor in increased soup-kitchen lines.

In short, the report is a statistical sham, an exercise in political rhetoric unworthy of the prestigious Harvard name. It is full of undoubtedly true horror stories such as the one about the Tennessee family with eight children and three biscuits—and a quadriplegic husband who "was going to find a gun to rob a store."

Yet, that family, accurately described, is currently entitled to more than $5,000 a year in food stamps plus a potential of more than $20,000 a year in disability and SSI benefits, while a Mississippi family of 13 was entitled to more than $6,600 in food stamps, and $14,000 in cash aid—but was caught in a bureaucratic snafu.

Neither family was affected by the Reagan rules changes.

Finally, the most serious flaw is the failure of the study to account for reduced inflation in counting "budget cuts." The Carter administration projected $22.1 billion for FY 1985 nutrition spending—but that was based on a projection of a total four-year inflation, 1981-85, of 36.4 percent.

If you factor in the actual Reagan inflation of 16.7 percent for the same period, you get a nutrition budget of $18.9 billion for 1985 (using the Carter high-spending model). Well, the actual spending in 1985 is $18.5 billion, a "real cut" from the Carter projections of less than half a billion, or 2 percent—and a far cry from the "$12.2 billion in cuts" cited by the Harvard Study.

For example, the celebrated Women, Infants and Children program cited by the study as brutally cut, rose from $930 million to $1.52 billion, 1981-85, a 61 percent rise—and a 39 percent real rise. Mr. Carter's 1982 budget plan called for WIC to level off in FY 1985 at less than $1 billion, or, in constant dollars, some 45 percent *less* than now being spent.

Harvard—send Larry Brown on a political sabbatical!

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

NOTICE TO COLLEAGUES

Mr. METZENBAUM. Mr. President, I wish to give notice to my colleagues that Senator CRANSTON, Senator KENNEDY, and I on Thursday last introduced a resolution having to do with the issue of the President visiting Bitburg on his trip to Germany.

I have in my hand a unanimous-consent request that the Committee on Foreign Relations be discharged from further consideration of Senate Concurrent Resolution 42 and that the Senate proceed to its consideration upon the disposition of Senate Joint Resolution 106, which is the Nicaragua resolution.

I am aware of the fact that the floor is unprotected at the moment other than the fact that the Presiding Officer is in the chair and under the circumstances I am not going to ask unanimous consent at this point, but I do want the leadership to know that such a request will be made. I think the Senate should have an opportunity to address itself to the issue of the President's visit to Bitburg and indicate its disapproval if it sees fit to do so.

But I feel that there would be some inappropriateness in asking unanimous consent at this point when the only person in position to protect the floor is the Acting President pro tempore.

But I take this means of placing the Senate on notice that before the afternoon is over I hope to move in that direction and would be very happy to discuss with the leadership or anyone else who has concern about it when if that time is not convenient this matter can be brought to a vote on the floor of the Senate.

I might also say I certainly have no objection to a limited time agreement with respect to its being on the floor of the Senate. I do so in the absence of Senators CRANSTON and KENNEDY. Senator CRANSTON is on flight coming back to Washington at the moment, and I am not exactly certain of the location of Senator KENNEDY at this moment. But I am certain that both of them would agree with the unanimous-consent request.

I thank the Chair, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. TRIBLE). Without objection, it is so ordered.

GEN. JEROME F. O'MALLEY

Mr. GOLDWATER. Mr. President, on Saturday evening, April 20, the U.S. Air Force lost one of its foremost leaders in a tragic aircraft accident. Gen. Jerome F. O'Malley, the Commander of the U.S. Air Force Tactical Air Command, his wife, Diane, and three crewmembers lost their lives in the crash of a CT-39 transport aircraft at the Scranton-Wilkes-Barre International Airport in Pennslyvania.

Jerry O'Malley was one of the rising stars in all of the military. At 53 years of age, and already a four-star general, he was, I am certain, destined to command our Air Force and, one day, likely even to serve as Chairman of the Joint Chiefs of Staff. I realize that statement presumes an awful lot, but any one who knew Jerry, and his friends both in and out of the military were legion, would find it difficult to disagree with me.

A 1953 graduate of the U.S. Military Academy at West Point, Jerry rose quickly to the top leadership within the Air Force, serving with great distinction at every level.

Mr. President, it is difficult to assess the depth of the impact General O'Malley's loss will have on our Air Force and our Nation, but my personal loss is profound. In addition to the great admiration and respect I held for General O'Malley as a military professional, he and his wife, Diane, were close personal friends of mine and I will miss them terribly.

I wish to express my heartfelt condolences to the families of General and Mrs. O'Malley and to the families of the crewmembers who also lost their lives in the accident.

BRIEF HISTORY OF STATEHOOD PROCESS

Mr. KENNEDY. Mr. President, the continuing controversy over the close election last fall for the Eighth Congressional District in Indiana has once again highlighted a fact that almost all of us take for granted—the right of American citizens to be represented in Congress. The 50,000 people of the Eighth District are rightly concerned that they have not been represented in this Congress since January 3, and all of us hope that the controversy will be resolved as soon as possible.

But there are 600,000 U.S. citizens whose representation in Congress is being continuously denied with no satisfactory resolution in sight. These are the citizens of the District of Columbia who are unfairly denied the right to representation in Congress.

Earlier this year, I introduced S. 293, a bill providing for the admission of the District of Columbia into the Union as the 51st State, the State of New Columbia. An identical bill was introduced in the House of Representatives by Congressman WALTER FAUNTROY.

Recently, I asked the Library of Congress to prepare a brief analysis of the issues involved in past debates over the admission of the various States to the Union. Mr. Peter B. Sheridan of the Government Division of the Congressional Research Service of the Library of Congress has prepared an excellent and thought-provoking summary of the statehood process. I believe that this historical analysis will be of interest to all of us in Congress as we consider the issue of statehood for the District of Columbia, and I ask unanimous consent that Mr. Sheridan's study may be printed in the RECORD.

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

ADMISSION OF STATES INTO THE UNION AFTER THE ORIGINAL THIRTEEN: A BRIEF HISTORY AND ANALYSIS OF THE STATEHOOD PROCESS

(By Peter B. Sheridan, Analyst in American National Government, Government Division, April 2, 1985, Congressional Research Service, Library of Congress)

I. BACKGROUND

The authority for admitting new States into the Union is vested in Congress by Article IV, Section 3, of the Constitution of the United States, as follows:

New States may be admitted by the Congress into the Union; but no new State shall be formed or erected within the Jurisdiction of any other State; nor any State be formed by the Junction of two or more States, or Parts of States, without the consent of the Legislatures of the States concerned as well as of the Congress.

The Congress shall have powers to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States; and nothing in this Constitution shall be construed as to Prejudice any Claims of the United States, or of any particular States.

Although Article IV does not further define the procedure by which a territory becomes a State, the usual procedure for admission is (1) the people of the territory through their territorial assembly petition Congress; (2) Congress passes an "enabling act" that, when signed by the President, authorizes the territory to frame a constitution; (3) Congress passes an act of admission approved by the President. Though Congress and the President may insist upon certain conditions for admission to the Union, a state, once admitted, is equal with all other states. . . .[1]

One such "condition" is that a State have a "republican" form of Government. The U.S. Constitution guarantees to every State a "republican" form of government (Article IV, Sec. 4), and this provision became one of the few constant elements in subsequent enabling acts and acts of admission.

While this has been the "usual" procedure for admission to statehood,[2] some States have followed different procedures. Seventeen territories, for example, gained statehood without enabling acts (see Appendix I). Four other States (Kentucky, Maine, Vermont, and West Virginia) were admitted by simple congressional acts of admission without undergoing a preliminary stage of territorial organization; all four areas had been parts of other States before admission. California and Texas similarly were not organized territories before admission. California had been administered by the American Army, and Texas had been an independent republic before it was annexed. In seven cases (Tennessee, Michigan, Iowa, Oregon, Kansas, and Alaska), the United States Congress was presented by the respective "States" with "Senators" and "Representatives" from these areas before statehood was granted. This procedure, known as the "Tennessee Plan," was first adopted by Tennessee in 1796, when a constitution was drafted and representatives were elected, all without any authorization from Congress.[3]

In most instances, States were admitted into the Union without any great difficulty, regardless of the procedure used. In some cases, however, statehood, because of various political, social, and economic reasons, was achieved only after a long and protracted struggle. Before the Civil War, for example, the question whether a new State would be free or slave delayed entrance into the Union. At other times, partisan politics in Congress deferred admission of new States. Thus, the time between organization of a territory and admission into the Union varied from two years in the case of Alabama to sixty-two years for New Mexico (see Appendix A).

In addition to the procedural patterns described above, certain "traditionally accepted requirements" for statehood have been noted:

(1) That the inhabitants of the proposed new State are imbued with and are sympathetic toward the principles of democracy as exemplified in the American form of government and have proved their political maturity . . .

(2) That a majority of the electorate wish statehood.

(3) That the proposed new State has sufficient population and resources to support State government and at the same time carry out its share of the cost of the Federal Government.[4]

The requirement that a State "carry out its share of the cost of the Federal government," however, "has never been required of any state upon its admission to the Union. Research has failed to produce a single instance or congressional debate in which this additional economic 'criteria' [sic] was raised or required in the statehood process of any aspiring entity."[5] With this exception, this has been the historical pattern under which 37 States have been admitted, although these "requirements" are not legally or constitutionally mandated.

II. STATEHOOD HISTORIES

Alabama

On March 3, 1816, Alabama Territory was created by the Congress from the eastern part of Mississippi Territory (3 Stat. 371). By 1819, the population of the new territory had increased enough that Congress, at the request of the territorial legislature, passed an enabling act on March 2, 1819, which authorized the drafting of a State constitution, and that this constitution "to be transmitted to Congress, for its approbation." (3 Stat. 489). A constitutional convention met at Huntsville for that purpose from July 5 to August 2, 1819, and a constitution was duly forwarded to Congress, which found the constitution to be "republican." On December 14, 1819, a congressional resolution admitting Alabama into the Union was signed by President James Madison (3 Stat. 608).

There were no obstacles to the admission of Alabama and there were no debates in Congress on the admission of the new State.

Alaska

Alaska was purchased from Russia in 1867 (15 Stat. 539), and was granted territorial government by the organic act of 1912 (37 Stat. 512). The first bill for Alaskan statehood was introduced in 1916 by delegate James Wickersham, who was also the author of the Organic Act of 1912. Opposition to Alaskan statehood immediately, and for years afterward, focused on several aspects of the territory's economy and geography. It was claimed, for example, that the population of the territory was too small to support statehood. More interesting was the argument that Alaska was not contiguous to the United States. Nevertheless, contiguity was never a requirement for statehood. More telling, perhaps, were arguments that Alaska possessed insufficiently developed

Footnotes at end of article.

resources and that statehood would increase the cost of government in Alaska.

By 1946, many of these arguments seem to lack validity because Alaska had, during the war years 1941-1945, experienced an increase in population (civilian and military) caused by the construction of such things as roads, airfields, and docks needed in the war effort. These improvements in communications and transportation helped end Alaska's isolation and contributed to Alaska's economic improvement.

The campaign for statehood for Alaska received an added boost when President Truman, in his first State of the Union Message in January 1946, recommended statehood for Alaska "as soon as it is certain that this is the desire of the people of that great Territory."

In October 1946, the voters of Alaska approved statehood for the territory by three to two, or 9,620 to 6,822. While not overwhelming, the vote nevertheless encouraged the Delegate from Alaska, E. L. Bartlett, to introduce a statehood bill. At the same time, the territorial legislature sent a memorial to Congress requesting statehood. Hearings were held (the first on any Alaskan statehood bill), and a subcommittee of the House Committee on Public Lands approved the legislation. In 1949, however, the measure was blocked by the House Rules Committee. In 1950, an enabling bill was passed by the House, but failed in the Senate. In 1954, a proposal for Alaska-Hawaii statehood passed the Senate, but not the House.

Proponents of statehood did not remain idle, and in April 1956 a State constitution was approved by Alaskans. In October 1956, two "Senators" and a "Representative" were elected, ready to assume office.[6] President Dwight D. Eisenhower announced his support for statehood in January 1958, and legislation to that end was introduced and passed both Houses of Congress. On July 7, 1958, President Eisenhower signed the Alaska Statehood Act (72 Stat. 339). In August, statehood was approved by an overwhelming majority of Alaskans. Finally, on January 3, 1959, Alaska was formally admitted as a State by Presidential proclamation (73 Stat. c16).

Arizona

The territory of Arizona was created on February 23, 1863, from the western part of the territory of New Mexico (12 Stat. 664). In 1891, the territorial legislature of Arizona authorized a constitutional convention (without a congressional enabling act). The constitution produced by this convention encountered opposition in Congress when it was submitted because it declared silver as legal tender. Many congressmen at this time supported the gold standard. Nevertheless, a statehood bill was introduced in 1892 by the territorial Delegate. This bill was passed by the House but died in the Senate because, as one historian noted, "Republicans in the Senate feared the admission of a state that obviously would be Democratic in politics."[7]

In 1902, a statehood bill for New Mexico, Oklahoma, and Arizona was introduced. This bill was opposed by Republican Senator Albert Beveridge of Illinois who, after a three-day visit to the territory, proposed instead the admission of Arizona and New Mexico as a single State.

This action was protested by the residents of both Arizona and New Mexico. Eventually, an amendment to the bill was offered providing for a referendum in the two territories on joint statehood (34 Stat. 267). In November 1906, joint statehood was defeated by the Arizonans, and each of the two territories pursued statehood on an individual basis.

In his first annual message to Congress in December 1909, President William Howard Taft recommended admission of Arizona and New Mexico as separate States. At the same time, President Taft urged the territories to exercise care in the selection of delegates to their respective constitutional conventions. Congress, following Taft's recommendation, enacted an enabling act for Arizona on June 20, 1910 (36 Stat. 557).

The Arizona constitutional convention finished its work on December 10, 1910, and submitted the document for popular approval on February 9, 1911. Arizona's constitution included provisions for such features as initiative, referendum, and recall of public officials. The constitution was approved by the people and submitted to Congress. In August, Congress passed a joint resolution admitting Arizona and New Mexico.

President Taft, however, vetoed the bill because he objected to the section of the Arizona constitution concerning the recall of judges. On August 21, 1911, Congress passed another joint resolution admitting Arizona but requiring the territory to exempt members of the judiciary from recall (37 Stat. 39). This was done, and on February 12, 1912, President Taft declared statehood for Arizona by Presidential proclamation (37 Stat. 1728).

At the first State election after statehood, the people of Arizona voted to reinstate a recall of judges provision to their constitution.

Arkansas

Arkansas was organized as a territory on March 2, 1819 (3 Stat. 493) from part of Missouri territory, which in turn, had been formed from the Louisiana Purchase (8 Stat. 200).

Arkansas's efforts to acquire statehood were initially hampered by internal regional social, political, and economic schisms. The southeastern part of the territory, for example, consisted predominantly of slaveholding cotton planters. The northwestern part of the territory, on the other hand, was made up of small farmers (predominantly non-slaveholding) growing a variety of agricultural products. The interests of both sections, therefore, did not generally coincide on a number of issues, not the least of which was statehood.

In 1831, Ambrose H. Sevier, the territorial Delegate, suggested delaying statehood because of the increased taxation which he felt would be necessary after statehood. Two years later, however, with the increase of pro-Jackson sentiment in the territory, and with the move by Michigan for statehood, Sevier and other Democrats changed course and began to push for statehood. Considering Michigan's application for admission as a free state, Sevier stated: "Should she go into the Union as such, the happy balance of political power now existing in the Senate, will be destroyed, unless a slave state go in with her."[8]

In Washington, Sevier's efforts to obtain an enabling act for the territory proved unavailing because of the opposition of abolitionist Whigs. Arkansas statehooders therefore decided to hold a constitution convention without congressional authorization. This was done in January 1836, and by the end of the month a constitution was on its way to Washington in time to have statehood for Arkansas considered at the same time as statehood for Michigan.

In the Senate, there was little opposition to the admission of Arkansas as a slave State, and the measure passed the Senate on April 4, 1836. In the House, however, anti-Jacksonians, led by John Quincy Adams, engaged in strong opposition to Arkansas statehood. Finally, on June 12, admission bills for Michigan and Arkansas were passed by the House. President Andrew Jackson signed the measure admitting Arkansas into the Union on June 15, 1836 (5 Stat. 50).

California

California was part of the area ceded to the United States by Mexico in the Treaty of Guadalupe Hidalgo in 1848 (9 Stat. 922). Congress, however, made no provisions for a civil territorial government in California, and the area was, for a time, governed by the American Army.

The discovery of gold in California in 1848 resulted in one of the greatest mass migrations in American history (the "Forty-niners"). The population soon reached a stage where President Zachary Taylor found it expedient to suggest that California become a State. At the same time, Californians were demanding a more effective government. Congress had been slow to act, so the military governor, Brigadier General Bennet Riley, called a constitutional convention, which met at Monterey in September 1849 and drafted a constitution prohibiting slavery. This constitution was ratified by the people of California on November 13, 1849. On the same day, the people elected a full slate of government officials, including two "Representatives." At the first session of the California State legislature, two United States "Senators" were appointed. On December 20, 1849, the military governor resigned. California, in effect, had proclaimed itself a State. In so doing, California followed the precedent established by Tennessee in 1796.

In his annual message to Congress on December 4, 1849, President Taylor recommended the immediate admission of California. There were, at this time, fifteen slave States and fifteen free States. Southerners in Congress immediately protested the admission of a new free State, and a long and vehement debate ensued.[9]

In the midst of the debate, Senator Henry Clay of Kentucky, on January 29, 1850, proposed a series of resolutions to settle the differences between the North and the South. The resolutions called for the admission of California as a free State, the organization of New Mexico and Utah as territories without any mention of slavery, the enactment of a new and more effective fugitive slave law, the abolition of the slave trade in the District of Columbia, and the adjustment of the boundary between Texas and New Mexico, with the Federal Government assuming the Texas national debt.

Clay's proposals resulted in the enactment of five laws between September 9 and September 20, 1850, known collectively as the "Compromise of 1850." The first of these, on September 9, admitted California as free State (9 Stat. 452).[10] Subsequent legislation established a territorial government in Utah and New Mexico with no mention of slavery, amended the fugitive slave law, abolished the slave trade in the District of Columbia, and adjusted the boundary of Texas and New Mexico without mention of slavery.

Colorado

Colorado was organized as a territory on February 28, 1861 (12 Stat. 172).

In 1858, discovery of gold in what is now Colorado resulted in a rush of settlers into the region. The next year, in a move for self-government typical of several other frontier settlements in American history, the residents of the area created "Jefferson Territory," an unofficial political entity. In September 1859, these residents voted on the question whether to seek territorial status or statehood. Statehood was rejected by a close margin because many felt that the region was not ready for elevation to statehood. Two years later, in 1861, Colorado was organized as a territory including those lands which make up its present boundaries, that is, parts of the territories of Utah, Kansas, Nebraska, and New Mexico. "Jefferson Territory," of course, came to an end when the territory of Colorado was created.

In 1863, the territorial Delegate introduced a bill for statehood. This bill died in committee, but Congress did enact, on March 21, 1864, an enabling act for Colorado (13 Stat. 32). In accordance with the provisions of this act, a constitutional convention was called. The constitution drafted by this convention, however, was rejected by the people of the territory in September 1864. Advocates of statehood, assuming the enabling act of 1864 to be still in force, called another convention in 1865, and in September of that year succeeded in gaining popular approval of the constitution. The subsequent "State" officials and "Senators" were, however, rejected by President Andrew Johnson on the grounds that the proceedings of the convention were at variance with the provisions of the enabling act. Congress, nevertheless proceeded to pass a statehood measure for Colorado. On May 15, 1866, President Johnson vetoed this measure because he believed the population of the territory insufficient to support a State government and because the vote for statehood in the territory was too small.

Statehooders were successful in having a bill passed by Congress in 1867, but this too was vetoed by President Johnson for the same reasons. President Johnson added, however, two new reasons for his veto: a territorial law which excluded blacks and mulattoes from voting, and a protest against statehood submitted by the House of Representatives of the territory.

In the decade after organization, the territory of Colorado had Governors who were anti-statehood and who were instrumental in forming public opinion against statehood. By 1870, however, much had changed. Three factors now served to spur a new influx of settlers: the end of the Civil War, the settlement of the Indian problem, and the arrival of the railroads. In 1873, Governor Samuel H. Elbert led the statehood struggle and petitioned Congress for a new enabling act. Governor Elbert was supported by President Ulysses S. Grant, who, in his message to Congress in December 1873, recommended admission of Colorado as a State.

On March 3, 1875, a new enabling act was passed by Congress (18 Stat. 474). In December of that year a constitutional convention met at Denver. The document was subsequently ratified by the people of the territory in July 1876, and on August 1, 1876, Colorado was admitted into the Union by Presidential proclamation (19 Stat. 665).[11]

The admission of Colorado in 1876 is considered by some historians to be a case of political expediency. The Democrats in Congress generally opposed statehood for Colorado because they foresaw, correctly, another Republican State. The Republicans, on the other hand, by 1875 "felt the need for Colorado's electoral vote as its leaders realized that the contest of 1876 was going to be close."[12]

Florida

Florida was ceded to the United States by Spain in the Admas-Onis Treaty of 1819 (8 Stat. 252), and was organized as a territory on March 30, 1822 (3 Stat. 654).

Settlement and development of Florida was initially hampered by a series of wars with the Seminole Indians (1835–1842). Moreover, any political development of the territory was hindered by regional differences: West Flrida was attracted by the idea of annexation to Alabama; Middle Florida favored statehood; and East Florida was opposed to both ideas.

By 1837, however, a referendum held by the territorial legislature showed a majority of the populace in favor of statehood. A constitutional convention was accordingly held in December 1838, and a constitution was adopted in January 1839. This constitution was approved by the people of the territory in September 1839.

No substantive action was taken on statehood for Florida until 1845, when, following the custom of admitting free States and slave States in pairs, a bill was introduced for the admission of Florida and Iowa. There was no enabling act for either territory. In February 1845, the House passed this bill. In the Senate, some objections were made concerning clauses in the Florida constitution which prohibited emancipation and the emigration of free blacks and mulattoes into the State. An amendment was proposed deleting these clauses, but it was defeated and the bill was passed by the Senate on March 1, 1845. The measure admitting Florida into the Union was signed by the President on March 3, 1845 (5 Stat. 742).

Hawaii

Hawaii was annexed to the United States by a joint resolution of Congress in 1898 (30 Stat. 750), and was made an incorporated territory of the United States in 1900 (31 Stat. 141). As early as 1903, the territorial legislature passed a resolution favoring statehood. In 1938, a congressional investigation reported that Hawaii fulfilled all the requirements necessary for statehood, and in 1940 a plebiscite in the islands showed the people supported statehood by a margin of two to one.

The entrance of the United States into world War II in 1941 brought a temporary halt to the statehood drive, and it was not until 1946 that any legislative activity was taken by Congress (although there had been numerous hearings and investigations). In that year, a subcommittee of the House Territories Committee urged consideration of Hawaiian statehood legislation.

Numerous arguments against the admission of Hawaii as a State were advanced, however. There was, for example, the old argument against adding noncontiguous territory. The racial composition of the islands, mostly Japanese and Chinese, worried others. After the attack on Pearl Harbor in 1941, this argument was especially strong, as the loyalty of the Japanese was suspect. This opposition was dispelled only after the war, during which the 442nd Regimental Combat Team and the 100th Infantry Battalion, composed of Nisei (Americans of Japanese ancestry), became two of the most decorated units in the American Army. A third argument against statehood was the alleged Communist influence in Hawaii, especially in the International Longshoremen's and Warehouse Union (ILWU).[13]

In any event, the House in 1947 passed legislation providing for statehood for Hawaii, but the Senate killed the measure. As happened before in American history, statehood for a territory "had become a political football. Since Hawaii was predominantly Republican, the Democrats refused to vote for its admission unless Alaska, a Democratic stronghold, was granted statehood also."[14]

After Alaska became a State, Hawaii's prospects improved. On March 12, 1959, Congress passed the Hawaiian statehood bill. President Eisenhower signed the measure on March 18 (73 Stat. 4), and on June 27, 94 percent of Hawaii's registered voters approved statehood. On August 21, 1959, President Eisenhower proclaimed Hawaii a State (73 Stat. c74).

Idaho

Idaho was organized as a territory on March 3, 1863 (12 Stat. 808). The subsequent creation of the territories of Wyoming and Montana out of the area comprising the original Idaho Territory reduced the area of Idaho Territory to its present size.

For many years, Idaho had a small population, and sentiment for statehood was slow in gaining approval. The coming of the railroads and the resultant influx of settlers changed this situation.

In February 1889, Congress enacted an enabling act for North Dakota, South Dakota, Washington, Montana (the so-called "Omnibus" States).[15] This action spurred the Governor of Idaho to take the initiative and call a constitutional convention. A constitution was drafted and was approved by the people in November 1889.

Idaho's admission, however, encountered some opposition in Congress because it was alleged that the territory had insufficient population to support a State government. Moreover, some objected to the irregularity of calling a constitutional convention without congressional authorization (there was no enabling act), and others objected to a provision in the proposed constitution which disfranchised men for their religious beliefs (Mormons who practiced polygamy were denied suffrage). Finally, opponents also faulted the apportionment of the legislative districts as unfair. In other respects, Idaho's constitution was considered progressive as it established labor arbitration boards, an eight-hour day on public works, state control of various water projects, and prohibited child labor in mines.[16]

Eventually, the constitution was approved by the House in April, and by the Senate in July, 1890, and on July 3, President Benjamin Harrison signed the admission bill (26 Stat. 215).

Illinois

Originally part of the Territory Northwest of the Ohio River, Illinios was created from part of Indiana Territory and was organized on February 3, 1809 (2 Stat. 514).

After the War of 1812, land cessions by the Indians helped make the territory of Illinois attractive to settlers, especially from nearby Southern States. The statehood movement grew slowly, and early petitions for statehood were ignored by Congress. On January 16, 1818, however, the territorial delegate, Nathaniel Pope, presented a memorial from the Illinois legislature requesting admission into the Union.

An enabling bill authorizing a State constitution was introduced in Congress. This

measure encountered some opposition in the Senate, however, which expressed doubts about the size of the population of the territory, and about a provision in the enabling bill which set aside a percentage of the proceeds from the sale of Federal lands in Illinois for education in the new State. Nevertheless, an enabling act was passed on April 18, 1818 (3 Stat. 428). Congress made it clear in the enabling act that Illinois would not be admitted with less than 40,000 inhabitants. The Illinois legislature was therefore required to conduct a census.[17]

A constitutional convention met in Illinois in August, and a constitution for the new State was submitted to Congress in November. On November 23, the constitution was debated in the House, where opponents—Representatives from the New England States, New York, New Jersey, and Pennsylvania—questioned provisions in the Illinois constitution regarding slavery. (The Illinois constitution provided for the maintenance of the status quo regarding slaves and indentured servants.) Provisions were made for gradual emancipation and further introduction of slavery was prohibited. Eventually, the House approved the admission of Illinois. The Senate approved on December 1, and President James Monroe signed the admission act on December 3, 1818 (3 Stat. 536).

Indiana

Indiana was part of the Territory Northwest of the Ohio River ceded to the United States by Great Britain in the Treaty of Paris in 1783 (8 Stat. 80). In 1800, the territory was divided (2 Stat. 58), and the territories of Ohio and Indiana created, the latter consisting of present areas of Wisconsin, Michigan, Illinois, and Indiana. Later divisions reduced Indiana Territory to approximately its present size. The division of the Northwest Territory was largely the work of William Henry Harrison, Delegate from the territory and the first Governor of Indiana Territory.

In 1811, the Indiana territorial legislature sent a memorial to Congress requesting statehood. The next year, Congress proposed an enabling act for Indiana when the population of the territory reached 35,000. The War of 1812, however, postponed any further action by either Congress or the inhabitants of the territory, who were preoccupied with Indian problems. After the war, and with the Indian problem settled, Indiana experienced a wave of settlers into the territory. In 1815, a census revealed that the population of the territory was 63,897. Accordingly, in December of 1815 the territorial legislature petitioned Congress for admission as a State. On January 5, 1816, Jonathan Jennings, the territorial Delegate, introduced a bill for an enabling act for the territory of Indiana. This was passed by the Congress, and the territory was authorized to form a constitution and a State government. (3 Stat. 289). A constitution was drafted by the territory in July 1816, and was sent to Congress where statehood for Indiana encountered no opposition. Indiana was admitted as a State on December 11, 1816 (3 Stat. 399).

Iowa

Iowa was organized as a territory from a portion of Wisconsin Territory on June 12, 1838 (5 Stat. 235).

Statehood was proposed by the first two territorial Governors but was rejected by the people of the territory (1840, 1842). By 1844, however, the territory had grown in population and sentiment for statehood had increased. In October of that year, a constitution was drafted and sent to Washington where a statehood bill for the admission of Iowa and Florida was introduced. Free state advocates in Congress managed to have the size of Iowa Territory reduced. The act of admission, therefore, contained a provision requiring the assent of the people of the territory to the new bounderies (5 Stat. 742, March 3, 1845).

On two occasions in 1845, the people of Iowa Territory rejected the new boundaries. A second constitutional convention was held in May 1846, during which the present boundaries were drawn. In the meantime, on August 4, 1846, Congress accepted new boundaries proposed by the territorial Delegate (9 Stat. 52), which were the same as those of the convention, and on December 28, 1846, Iowa was admitted into the Union (9 Stat. 117).

Before admission, Iowa had elected a Governor and two "Representatives" to Congress (October 1846). Iowa is thus considered a "Tennessee Plan" State. Party divisions in the Iowa legislature prevented the election of Senators until 1848.

Kansas

In January 1854, Senator Stephen A. Douglas, Chairman of the Senate Committee on Territories, introduced a bill for the organization of the Kansas and Nebraska territories. A key feature of this bill was the provision that "popular sovereignty" should prevail. In other words, the people of the territories should decide for themselves whether slavery should be permitted or not, thus repealing the Missouri Compromise of 1820, one provision of which banned slavery in territories north of 36 degrees 30 minutes. (See p. 30).

Douglas' bill passed after three months of bitter debate (10 Stat. 277). This was followed by a lengthy conflict during which Kansas endured a particularly nasty civil war ("Bleeding Kansas") as both North and South sent settlers to the territory in an effort to achieve a majority. Separate legislatures were soon formed, and rival constitutions were submitted to Congress, itself the scene of several violent episodes arising from debates on the "Kansas Question." Indicative of this turmoil in Kansas is the summary of one historian:

"In seven years six governors and five acting governors came and went, the Territorial capital was moved about like a chessman, and three State constitutions were written and rejected. Martial law prevailed intermittently, and Free State leaders were indicted and imprisoned for high treason."[18]

By 1859, the Free State Party was in the majority, and a proposal to call another constitutional convention was approved. This convention, held at Wyandotte in July, produced a constitution for a free State, and was ratified by the people of the territory on October 4. In December, "State" officers, a "State" legislature, and a "Representative" to Congress were elected. Senators, however, were not selected until after Kansas became a State. Thus, Kansas is classified as a "Tennessee Plan" State. A bill for admission was submitted in Congress, was passed by both Houses of Congress in January 1861, and was signed by President James Buchanan on January 29, 1861 (12 Stat. 126).[19]

Kentucky

Kentucky, part of the original area of the State of Virginia, became a county of that State in 1776, following a request for that action by a group of settlers who desired protection from the Indians and recognition by Virginia. In 1776, the area known as Kentucky was frontier land, inhabited by few settlers in widely scattered settlements. After the American Revolution, Kentucky experienced a rush of settlers from Virginia, Pennsylvania, North Carolina, and Maryland. It was not long before these settlers, chafed by rules and regulations which they believed were unsuitable to a frontier environment, and which were enacted by a faraway legislature considered to be largely unresponsive to the needs of the frontiersmen, began to develop separatist sentiments. Between 1784 and 1791, nine conventions were held in Kentucky to consider various political alternatives. The Virginia legislature responded to these actions by proposing four successive acts of separation.

Nothing came of these proposals until the fourth act of separation in December 1789, when Virginia removed most of the conditions objected to by the Kentuckians and consented to the creation of a new State. Virginia did require, however, that Kentucky share the expenses of the 1789 expedition against the Indians. These conditions were accepted in a ninth convention (July 1790) held in Kentucky. This convention also petitioned Congress for admission as a State and called for a meeting in April 1792 to draft a constitution.

In February 1791, on the recommendation of President Washington, Kentucky was admitted as a State (1 Stat. 189) effective June 1, 1792, at the request of the people of Kentucky.

Kentucky, the first State west of the Appalachian Mountains, was one of four areas (Vermont, Maine, and West Virginia were the others) formed from parts of other States, and admitted as separate entities by simple acts of admission.

Louisiana

Louisiana was organized from part of the Louisiana Purchase as the Territory of Orleans on March 26, 1804 (2 Stat. 283).

As early as December 1804, the polyglot population of the territory petitioned Congress for admission as a State. By 1810, the population of the territory was 76,556, and in 1811, despite the objections of the Governor, William C. C. Claiborne, who believed that the territory was not ready for statehood, an enabling Act was passed by Congress for the territory (2 Stat. 641). In November 1811, a constitutional convention was held in New Orleans.

Statehood for Louisiana encountered some opposition in Congress as some members distrusted the allegiance of the "foreign" element (the majority of inhabitants were French) in the territory. Others argued against admission on the grounds that the territory had never been part of the original United States. As one historian noted:

The U.S. Congress had to ponder the fact that in the proposed new State of Louisiana, with its Creoles, Acadians, Canary Islanders, Spaniards, Germans and Dominicans, a great majority of the population could not speak a coherent English sentence. Congress overlooked this detail and made Louisiana a state in 1812. The terms of statehood gave striking evidence of the Creoles' tenacity. Louisiana came into the Union trailing the French judicial system, the Code Napoleon, which remains the basis of Louisiana law to the present day.[20]

Eventually, an act of admission for Louisiana was passed on April 8, 1812 (2 Stat. 701), to become effective April 30, 1812.

Maine

Before admission into the Union, Maine had been a District of Massachusetts. Residents of the area, however, were dissatisfied with this arrangement, and during the War of 1812, intensified separatist movements, which had been present since the end of the American Revolution. Finally, in 1820, Massachusetts consented to the separation and the creation of a new State.

Maine's request for admission into the Union, however, became entangled in the debate over the admission of Missouri. Alabama had been admitted into the Union in 1819, and admission of Missouri would upset the prevailing balance between North and South in the Senate. Eventually, a compromise (Missouri Compromise of 1820) was reached whereby Missouri would be admitted as a slave State and Maine as a free State. (See p. 30) Congress declared Maine a State, effective March 15, 1820, by an act approved on March 3, 1820 (3 Stat. 544).

Michigan

Michigan was organized as a territory on January 11, 1805 (2 Stat. 309).

No significant move for statehood occurred until 1833 when the territory petitioned Congress for authority to form a State government. Congress rejected the petition in 1984, largely because of the opposition of the Ohio delegation. At this time, Ohio and Michigan were in dispute over an area of land known as the "Toledo strip."

In 1835, statehood advocates in the territory, realizing that the territory had more than the population specified in the Northwest Ordinance for admission of a territory to statehood, and knowing of the objections in Congress to statehood, decided to follow the example of Tennessee in 1796 (see page 3).[21]

Accordingly, a constitutional convention was called (May-June) in Michigan. On October 5, 1835, the constitution was ratified by the people of the territory. At the same time the people elected a Governor, a State legislature, and a "Representative" to the United States Congress. At the first session of the State Legislature, two "Senators" were elcected. Congress was thus presented with a *de facto* State government.

This action was denounced by some in Congress. Statehood for Michigan was again opposed by the Ohio delegation, together with Southern members who objected to the admission of a free State, which Michigan would be under the terms of the Northwest Ordinance of 1787. (See note 32, p. 39). Slavery was prohibited by the Northwest Ordinance in States formed from the Northwest Territory.

Eventually a compromise was reached. Arkansas, which had applied for admission at the same time, would be admitted as a slave State, and Michigan would be admitted as a free State. Michigan's admission, however, was contingent on the recognition of Ohio's claim to the "Toledo strip" (5 Stat. 49. June 15, 1836)

In September 1836, a Michigan convention ("Convention of Assent"), met at Ann Arbor and refused acceptance of this condition (set by Congress) for admission. Statehood Democrats therefore called a new convention, from which most Whigs abstained, which accepted the conditions of admission on December 15, 1836. Michigan was thereupon admitted as a State on January 26, 1837 (5 Stat. 144). As compensation for the loss of the "Toledo strip," Michigan was given the Upper Peninsula, which had been part of Wisconsin Territory.

Minnesota

Minnesota Territory was created from the Northwest Territory and portions of the Louisiana Purchase. The territory was organized on March 3, 1849 (9 Stat. 403).

After the conclusion of the Sioux treaties in February 1853, the territory experienced a land boom as settlers from other areas and immigrants from Northern Europe poured into the new lands. By 1857, the population of the territory was 150,037.

In February 1857, the territorial Delegate, Henry M. Rice, succeeded in gaining passage of an enabling act authorizing the territory to form a constitution (11 Stat. 166). A constitution was drafted in July, and was accepted by the voters of the territory on October 13. At the same time, assuming that statehood would soon be granted, the Minnesotans proceeded to elect a Governor, other "State" officials, and three United States "Representatives." On December 2, 1857, this "State" legislature met and on December 19, elected two United States "Senators." [22]

In 1858, however, statehood for Minnesota encountered considerable opposition in Congress. Some members objected to the provisions in the Minnesota constitution extending suffrage to aliens and Indians who had "adopted the customs and habits of civilization." Other members questioned the validity of creating a sixth State from the Northwest Territory when the Northwest Ordinance of 1787 specified that no more than five States were to be created. The question of how many Representatives should be accorded Minnesota was discussed in the Senate for several days. Eventually, two Representatives were allowed. The Senate also debated at length the "irregular" proceedings in forming the constitution and questioned the legitimacy of the "State" government. Complicating the admission of Minnesota was the discussion at the same time of admitting Kansas under the pro-slavery Lecompton constitution.[23]

Despite these objections, Minnesota was admitted into the Union on May 11, 1858 (11 Stat. 258).

Mississippi

Mississippi was organized as a territory on April 7, 1798 (1 Stat. 549) from lands ceded to the United States by Spain in 1795. Subsequent annexations and cessions of lands (Georgia, Spain, and Indian tribes) enlarged the territory to the present area of Alabama and Mississippi. The eastern part of Mississippi territory became the State of Alabama in 1819.

As early as 1810 efforts were made by the territorial Delegate, George Poindexter, to have Mississippi admitted as a State. These efforts met with little success, however, because Congress doubted whether the territory had sufficient population. Objections were also raised concerning the size of the proposed State. Before its division, Mississippi territory was double the size of Pennsylvania.

The War of 1812 brought a halt to these efforts. With the end of the war in 1815, the suppression of an Indian uprising, and the arrival of new settlers, the statehood drive was renewed. Again opposition rose concerning the size of the new State. This problem was solved in 1817 by the division of the territory, which not only removed an objection to statehood, but also restored, when Mississippi was admitted as a State, the balance in the Senate between North and South.

On March 1, 1817, an enabling act for Mississippi was signed by President James Madison (3 Stat. 348). A constitutional convention was held in the territory in July, and on August 15, a constitution was adopted. The constitution of Mississippi was then sent to Congress, which accepted the document as republican and in conformance with the Ordinance of 1787. On December 10, 1817, President Madison signed the measure admitting Mississippi into the Union (3 Stat. 472).

Missouri

Missouri was organized as a territory from part of the original Louisiana Purchase on June 4, 1812 (2 Stat. 743).

From 1802 to 1819, a delicate balance had been maintained between the North and the South by the alternate admission of slave and free States. This tacit arrangement resulted, with the admission of Alabama in 1819, in eleven of each. The State balance in the Senate was, of course, even. In the House, however, the slave States, even with the three-fifths ratio (according to the constitutional provisions then in effect, Article I, Section 3, three-fifths of the slave population were counted in apportioning Representatives), had only 81 votes as opposed to 105 votes held by the free States. Moreover, the population of the North was growing at a rapid rate. The South, therefore, looked to the Senate to preserve the sectional balance.

This balance was threatened in 1819, when Missouri applied for admission. An amendment to the Missouri enabling legislation prohibiting slavery in Missouri (introduced by Representative James Tallmadge of New York) was passed by the House but rejected by the Senate. In the meantime, Maine had formed a constitution and had requested admission as a free State. The Senate joined the two measures but did not restrict slavery in Missouri, whereupon an amendment was added by Senator James B. Thomas of Illinois providing for the admission of Missouri as a slave State, but with slavery prohibited in the remaining portion of the Louisiana Purchase north of 36 degrees and 30 minutes north lattitude. The Senate bill was rejected in the House, which had its own version, admitting Missouri as a free State. After several months of debate (December 1819-March 1820), a compromise as effected: Maine was admitted as a free State, Missouri was authorized to form a constitution with no restriction on slavery, and slavery was prohibited in that part of the Louisiana Purchase north of 36 degrees 30 minutes (3 Stat. 545. March 6, 1820).[24]

Missouri's constitution, however, contained a provision prohibiting entrance into the new State of free blacks and mulattoes. This caused another debate in Congress and another compromise: admission of Missouri was made contingent on the Missouri legislature agreeing not to abridge the privileges and immunities of United States citizens (3 Stat. 645. March 2, 1821). Missouri agreed, and on August 10, 1821, was admitted into the Union (3 Stat. 797. Appendix II).

Montana

Montana was organized as a territory on May 25, 1864, from part of Idaho territory (13 Stat. 86).

Montana's early days as a territory were concerned with internal development, solution of the Indian problem, and gold and silver rushes. By 1883, however, completion of the Northern Pacific railway was followed by a rush of farmers, cattlemen, and miners to the territory.

In January 1884, a consitutional convention was called in Helena, and on February 9, a constitution was completed. The docu-

ment was subsequently approved by the people and was sent to Congress, but no action was taken.

In January 1889, William Springer, a Democrat and Chairman of the House Committee on Territories, offered an omnibus bill for the admission of New Mexico, Washington, Montana, and Dakota. Springer's measure passed the House, but was blocked by the Senate. A conference committee resulted in a deadlock as the Republicans opposed the admission of New Mexico (which was Democratic), and the Democrats opposed the admission of Dakota (which was Republican). The election of 1888 resulted in a Republican sweep of the White House and both Houses of Congress, facilitating an eventual compromise: New Mexico was eliminated from the measure, and both North and South Dakota were admitted without waiting for a vote of the people on division of the territory. One enabling act, therefore, was passed for North Dakota, South Dakota, Montana, and Washington (25 Stat. 676. February 22, 1889).[25]

July 4, 1889, was set as the date for the meeting of constitutional conventions in the respective territories, and on that date Montana's delegates met in Helena to begin drafting a constitution. The Montana constitutional convention finished its work on August 17, and on October 1 the new constitution was ratified in a special election. On November 8, President Benjamin Harrison proclaimed the admission of Montana into the Union (26 Stat. 1551).

Nebraska

Nebraska was organized as a territory on May 30, 1854 (10 Stat. 277).The creation of the Dakota and Colorado Territories in 1861 reduced Nebraska to approximately its present size.

In January 1854, Senator Stephen A. Douglas of Illinois, chairman of the Senate Committee on Territories, introduced a bill to organize the Great Plains as the Territory of Nebraska. In order to gain Southern support, which had been lacking in previous efforts to form the territory, Douglas included in the bill the doctrine of "popular sovereignty." That is, the people of the territory would decide whether the territory would be admitted with or without slavery, this repealing the Missouri Compromise of 1820 (since the Nebraska Territory was above the line drawn between slave and free States). Douglas also agreed to divide the territory into two territories: Kansas and Nebraska. After three months of debate, the bill to organize the territories of Kansas and Nebraska was passed in May 1854.[26]

Statehood for Nebraska was not immediately supported by the people of the territory, and was rejected in a popular referendum in 1860. In 1864, the territorial legislature sent a memorial to Congress requesting statehood. An enabling act was then passed on April 19, which authorized the territory to form a constitution (13 Stat. 47). In the election for delegates to the constitutional convention, the majority elected opposed statehood because they believed statehood would mean an increase in taxation.

In 1865, the Governor of the territory suggested that the legislature prepare a constitution and submit it to the people for approval. This was done, and in a very close election the constitution was approved in June 1866.

The constitution aroused some debate in Congress because it allowed only free white males to vote. An amendment was therefore attached by Congress providing for the removal of the restrictive provision and for the agreement by the territorial legislature to this condition. An admission bill was then passed by both Houses of Congress, but was pocket vetoed by President Andrew Johnson, the Congress having adjourned.

In December 1866, a similar bill was introduced and passed by Congress, but was vetoed in January 1867 by President Johnson on constitutional grounds. Congress overrode the veto (14 Stat. 391), the territorial legislature negated the restrictive provision, and president Johnson signed a proclamation admitting Nebraska on March 1, 1867 (14 Stat. 820).

Nevada

Nevada was organized as a territory on March 2, 1861 (12 Stat. 209) from the western part of Utah Territory, which had been part of the area ceded to United States by Mexico in 1848.

The discovery in 1859 of rich gold and silver ores in the Comstock Lode resulted in thousands of settlers moving into the territory. By 1863, the statehood movement was strong enough that the territorial legisature called for a plebiscite to ascertain public sentiment regarding statehood. A plebiscite held in September 1863 showed that the voters favored statehood and the creation of a State government by a vote of four to one. A constitution was drafted in November, but was rejected by the electorate in January 1864 because of claims that the cost of a state government would be prohibitive.

Statehood advocates persisted, however, and succeeded in gaining passage of an enabling act on March 21, 1864 (13 Stat. 30). In the meantime, events on the national scene began to influence the admission of Nevada. The civil War by this time was well underway, and the North needed the economic and political support of pro-Union Nevada. Republicans especially desired the admission of a new pro-North State to buttress their position in Congress and in the coming elections President Lincoln needed a pro-North State to ensure passage of the 13th Amendment.

In the territory of Nevada, events similarly gathered momentum. A constitutional convention was held in July and the constitution drafted by this second convention was approved by the people of the territory on September 7, 1864.[27]

Statehood for Nevada encountered little opposition in Congress, the smallness of its population being dismissed as a temporary condition.[28] On October 31, 1864, Nevada was admitted into the Union by Presidential proclamation (13 Stat. 749).

New Mexico

New Mexico was part of the territory acquired from Mexico under the terms of the Treaty of Guadalupe Hidalgo in 1848 (9 Stat. 922). In 1850, even before the territory was officially organized, the people of the territory made application for statehood. In the meantime, Congress passed the Compromise of 1850, one part of which was the organic act for the territory of New Mexico (9 Stat. 446). In succeeding years, New Mexico tried many times to be admitted as a State, either alone or in conjunction with the efforts of one or more other territories, but each attempt failed.

One notable struggle occurred in 1902-1903 during the debates on the Omnibus Statehood bill for Oklahoma, Arizona, and New Mexico (see p. 7). The opposition to the admission of New Mexico was led by Senator Albert Beveridge, Chairman of the Senate Committee on Territories. During the long debate, Beveridge and several members of a subcommittee went to New Mexico to investigate local conditions. On their return, a report was released which stressed several points of opposition to statehood. New Mexico, according to the report, was not large enough, and its character was "un-American," that is, the inhabitants were not English-speaking Anglo-Saxons. Moreover, the subcommittee reported a high illiteracy rate and extensive use of the Spanish language. Other arguments against admission of New Mexico centered on its small population, lack of economic development, and arid lands.[29]

In 1910, an enabling act for Arizona and New Mexico provided that constitutions for each territory be approved by Congress and the President (36 Stat. 557). This new effort had the support of President Taft; moreover, Senator Beveridge had lost a bid for reelection in 1910. On August 22, 1911, however, President Taft vetoed the admission of Arizona and New Mexico, objecting to the recall of judges provision in the Arizona constitution. A second enabling act was therefore passed by Congress, which required that New Mexico revise the amending procedure in its constitution and that Arizona remove its judicial recall provisions (37 Stat. 39). New Mexico made the required changes and was admitted as a State on January 16, 1912 (37 Stat. 1723), sixty-two years after passage of the New Mexico organic act.[30]

Historians and political scientists have pondered why New Mexico was denied admission for such a long time. Many of the arguments against admission (small population, lack of economic development, arid lands) were, after all, used against other Western territories and yet they were admitted as States in much shorter time. The consensus in the case of New Mexico seems to be that

"New Mexico was never considered in the same light as the other territories. The unique population of New Mexico profoundly separated the territory from most of the remainder of the west where Anglo pioneers had slowly filled the frontiers with a fairly homogeneous population of Western European stock. In the long years between 1846 and 1912, frequent newspaper articles and speeches by congressmen indicated a strong prejudice toward the Spanish-speaking, Roman Catholic people of New Mexico. Nativism in America, sometimes concealed and at other times brought out into the open, was thus the major obstruction to the territory's statehood aspirations." [31]

North and South Dakota

The Territory of Dakota was organized on March 2, 1861, from portions of Minnesota and Nebraska Territories (12 Stat. 239).

In 1871, the territorial legislature requested a division of the territory by Congress, and petitions for division became almost an annual event. Congress, however, took no action on any of these proposals.

Gold was discovered in the Black Hills in 1874 and in 1876, and the Indians relinquished their claim to the lands (19 Stat. 254, February 28, 1877). It was not long before the railroads came and the territory experienced a land rush. In 1880, the population of the Dakota Territory was 135,000.

In 1883 and 1885, the people of the territory prepared constitutions and petitioned Congress for division and statehood. Little action was taken on these proposals, primarily because the Democrats were in control of Congress and did not favor the admission of two new Republican States. The Democrats

did, however, support admission of the territory as one State, together with the admission of New Mexico, a Democratic territory. The deadlock in Congress was broken by the Republican victory of 1888, and opponents in Congress were persuaded to yield to the admission of North and South Dakota as separate States.[32] An enabling act dividing the territory into North and South Dakota was accordingly signed on February 22, 1889, which authorized constitutional conventions on July 4 (25 Stat. 676). Constitutions were subsequently formed and approved by the people in both territories. North and South Dakota were admitted into the Union by Presidential proclamation on November 2, 1889 (26 Stat. 1548, 1549).

Ohio

Ohio was organized as a territory in 1800 when the Northwest Territory the "Territory Northwest of the River Ohio," was divided (2 Stat. 58).[33] Sentiment for statehood developed early in Ohio, but encountered the opposition of Arthur St. Clair, Federalist Governor of the territory. St. Clair favored delaying statehood and proposed a further division of the territory so as to slow the growth of the Statehood movement.[34] Most of the population of the territory at this time were Democrat-Republicans (Jeffersonian), and by 1802, the Jeffersonian majority in both houses of Congress looked forward to Ohio's two Republican Senators and Representatives.

In January 1802, a congressional committee investigated the possibility of statehood for Ohio and reported that although the population of the territory was less than that stipulated in the Ordinance of 1787 (60,000), the territory should be admitted because the population was growing so fast that it soon would reach the required number. In March 1802, a majority of the residents of the territory petitioned Congress for statehood, and in April, Congress passed an enabling act for Ohio, authorizing the territory to hold a constitutional convention (2 Stat. 173). The Ohio constitutional convention completed its work in November 1802 and submitted the document to Congress, where it was first considered in the Senate and found to be republican in nature and in conformance with the principles enunciated in the Ordinance of 1787.

On February 19, 1803, Congress approved an act "to provide for the due execution of the laws of the United States within the State of Ohio" (2 Stat. 201). While this act implied approval of the Ohio constitution, and stated that "the said State became one of the United States of America," Congress never officially accepted the constitution of Ohio and never passed an official act of admission, thus giving rise to some confusion as to exact date of the admission of Ohio.[35]

Oklahoma

Oklahoma was organized as a territory on May 2, 1890 (26 Stat. 81), having been created out of the western part of Indian Territory, which had been organized in 1834 (4 Stat. 729).

Between 1889 and 1906, Oklahoma Territory, and portions of Indian Territory, experienced a series of land rushes which greatly increased the population of the territory. In 1890, for example, the population of Oklahoma Territory was 258,657; by 1900, the population, together with that of the Indian Territory, had increased to 790,391. One reason for this rush of settlers was the enactment of Congress of a series of laws pertaining to Oklahoma Indian tribes—including the Curtis Act of 1898 (30 Stat. 495)—which had as their purpose the individual allotment of reservations and the diminution of the tribal governments of the Five Civilized Tribes (Cherokees, Chickasaws, Creeks, Choctaws, and Seminoles). As a result, a large portion of Indian lands became subjects to sale and to settlement by whites.[36]

After 1890, statehood advocates began to initiate moves for statehood. These moves were complicated by the question whether to admit Oklahoma and the Indian Territory as one State or as separate States. In 1902, for example, a report on a bill to admit New Mexico, Arizona, and Oklahoma stated that the proposal to admit Oklahoma as a single State is not tenable. Its size is much below that of any Western State. It must not be forgotten that originally Oklahoma was taken piecemeal from the Indian Territory. Its boundaries are unscientific, accidental, and grotesque. And above all, the committees are convinced that a majority of its people are opposed to statehood at present except by a union with its natural complement, the Indian Territory.[37]

An attempt was also made in 1905 by the residents of the Indian Territory for separate statehood. A constitutional convention was held in August of that year and a constitutional for the state of "Sequoyah" was adopted by the people. Congress, however, took no action on this proposal.

In 1905, in his annual message to Congress, President Theodore Roosevelt recommended the admission of Oklahoma and the Indian Territory as one State. In 1906, Congress enacted an enabling act which united the territory of Oklahoma and the Indian Territory and authorized admission of the two territories as one State (34 Stat. 267). There is some evidence that political expediency played a part in the Presidential and congressional decision to admit the two territories as one State. The growth of the Democratic Party in Oklahoma Territory had decreased the Republican majority in several elections. By 1904, it was conceded that the Indian Territory was Democratic. If the two territories were admitted separately, there was the distinct probability of four Democratic Senators from the two States. On the other hand, if they were admitted as one State, there would be only two Democratic Senators. As one historian concluded, "Territorial Democrats were too numerous to permit consideration of Oklahoma as a reliably Republican area. Separate statehood was too dangerous to Republican Party interests." [38]

A constitutional convention, composed of Indians and whites, was held in Guthrie, Oklahoma, in March, April, and July. The constitution formed by this convention was approved by the electorate on September 17, 1907, and on November 16, Oklahoma was admitted into the union by Presidential proclamation (35 Stat. 2160).

Oregon

Oregon country was acquired in 1846 by a treaty with Great Britain following a period of joint occupancy of the disputed area by Great Britain and the United States (9 Stat. 869). Oregon was organized as a territory on August 14, 1848 (9 Stat. 323).

The drive for statehood started almost immediately after Oregon was organized. On three occasions between 1854 and 1856, statehood and the creation of a constitutional convention were rejected by the Oregonians in plebiscites, although in each instance opposition declined, owing at least partially to party squabbles among Democrats, Whigs, and Republicans. In 1857, the Oregonians voted for statehood and the establishment of a constitutional convention. As one historian of Oregon noted:

In the seven years of territorial existence the question had been voted upon by the territorial legislature in one form or another nine times, and by popular vote four times, while Congress had considered Oregon statehood bills at two sessions." [39]

A constitutional convention was held in the fall of 1857, and the constitution was approved by the voters in a special election in November. Other special elections were held in 1858 for a pro forma Oregon congressional delegation—a "Representative" was elected, and two "Senators" chosen by the new legislature (Oregon followed the "Tennessee Plan"). In Congress, the Oregon statehood measure passed the Senate on May 19, 1858 by a vote of 35 for and 17 against. Opposition to the admission of Oregon centered on the alleged lack of population, unjust discrimination in the Oregon constitution against the Chinese, and a stringent prohibition against the admission of free blacks into the State.[40]

In the House a similar opposition arose. The insufficiency of population was again cited, as was the discrimination against free blacks. Added to these, however, was a strong stand against a provision of the Oregon constitution providing for extension of the suffrage to unnaturalized citizens.[41]

There was another reason for opposition to Oregon statehood. With the election of 1860 in the offing, many Republicans feared a Democratic Oregon might vote against the Republican candidate. Eventually, enough Republicans switched support to Oregon and, after lengthy debate, the Oregon statehood measure passed the House on February 12, 1859 by a vote of 114 for to 103 against.[42] President James Buchanan signed the Oregon statehood bill on February 14, 1859 (11 Stat. 383).

Tennessee

In 1796, William Blount, the Governor of the "Territory of the United States, south of the river Ohio" (1 Stat. 123), reacting to popular sentiment favoring statehood, called a constitutional convention which met at Knoxville on January 11, 1796, and finished its work on February 6, 1796. The constitution drafted by this convention claimed the right of admission into the Union of "a free and independent State by the name of the State of Tennessee." The legislative body convened under this constitution chose two "Senators" and provided for the election of two "Representatives" to the United States Congress. These actions were taken without congressional authorization.[43]

On April 8, 1796, President George Washington sent a message to Congress regarding the effort of the territory to acquire statehood. Washington also submitted a copy of the Tennessee constitution and Governor Blount's report on the territory's census returns, which claimed more than 70,000 inhabitants. In May 1796, the Tennessee delegation arrived in Philadelphia, then the capital of the United States, and in conjunction with the territorial Delegate already present, they lobbied for statehood. Tennessee was admitted as a State on June 1, 1796 (1 Stat. 491).

Opposition to the admission of Tennessee came largely from the Federalist-controlled Senate, which feared support of the new State for the Jefferson ticket in 1796. This opposition, however, was based on the following constitutional and technical grounds:

"Congress alone was competent to form a state . . . the census returns were improper and of no effect . . . the constitution of the state was faulty and in some respects ran counter to the federal Constitution and laws."[44]

Blount and Cocke, the two "Senators," were refused admission, but were later re-elected by the State legislature. Andrew Jackson won the popular election in August 1796 and became the first United States Representative from Tennessee.

Texas

In 1821, Spain encouraged American settlement of the province of Texas. This encouragement was continued by Mexico after gaining its independence from Spain in the same year, but various cultural and political difficulties soon arose between the American settlers and the Mexicans. In 1836, for example, General Santa Anna abrogated the liberal constitution of 1824. It was not long before armed clashes occurred between the Americans and the Mexicans. On March 2, 1836, the Texans declared their independence from Mexico and subsequently defeated Mexican forces sent against them.

Almost immediately, the newly formed Republic of Texas sought annexation to the United States. If annexation failed, the goal was recognition as an independent Republic. On March 3, 1837, President Andrew Jackson extended recognition to the Republic of Texas. Annexationists in Texas and in the United States still sought union with the United States. It was not until 1844, however, that a treaty of annexation was introduced in the United States Senate, where it encountered strong opposition because annexation was considered as extending the territory open to slavery. In June 1844, the treaty of annexation was defeated in the Senate.

In the Presidential campaign of 1844, the Democratic Party platform called for the "reannexation" of Texas. At this time, a new doctrine of expansion—manifest destiny—emerged, which held that it was the destiny of the United States to occupy the entire continent.

The victory of the Democratic candidate, James K. Polk, an avowed expansionist, was therefore interpreted as a mandate for annexation. When Congress convened in December 1844, however, the departing President, John Tyler, recommended annexation by means of a joint resolution, which required only a majority in each House, thus avoiding the more difficult two-thirds vote needed to ratify a treaty in the Senate.

The ensuing long debate in both Houses centered chiefly on the following five points:

(1) the constitutionality of annexing a foreign state, (2) the extension of slave territory, (3) the amount and disposition of the debt of Texas, (4) whether Texas should be annexed as a territory or as a state, and (5) the possibility of a war with Mexico if annexation were accomplished.45

Eventually, the annexation resolution was approved by the House in January, and by the Senate in February 1845. On March 1, 1845, President John Tyler signed the resolution authorizing the annexation of Texas (5 Stat. 797).46

The resolution authorized the admission of Texas into the Union, the retention of all public lands in Texas by the new State, and the right of the State to divide into not more than four new States, in addition to Texas.47 Texas would also pay her own debt, and the Missouri Compromise line would be extended to Texas territory.

A Texan convention approved the annexation resolution in July 1845. The resolution was ratified by the people in October, and in December, the Texan constitution was accepted by Congress. Finally, on December 29, 1845, Texas was admitted into the Union (9 Stat. 108).

Utah

Utah, settled by the Mormons in 1847, became a territory in 1850 (9 Stat. 453).

Utah presents an unusual case in the admission of States into the Union because of the presence of unique political and religious factors attendant upon Utah history.[48] Statehood was delayed for years, despite several attempts, because of intense political strife in the territory (there were Mormon and anti-Mormon political parties in Utah), and because of the practice of polygamy by the Mormons.

Polygamy, which became known as the "Mormon problem," was denounced by both the Republicans and the Democrats. Indeed, several Federal laws made polygamy punishable by a fine and imprisonment, and disfranchisement. In 1887, an even more severe law, The Edmunds-Tucker Act (24 Stat. 635), applied stringent provisions to the Territory of Utah: This Act disincorporated the Mormon Church, confiscated church property, abolished female suffrage, and required a test oath of citizens before they could vote, hold office, or serve as jurors.

Between 1887 and 1890, the Mormons sought accommodation with the Federal Government. To that end, free public schools, emphasizing the separation of church and State, were established in Utah. "Gentiles" (non-Mormons) were admitted to chambers of commerce, the Mormon People's party was dissolved, and its members instructed to participate in both Republican and Democratic parties, thus demonstrating that a genuine two-party system existed in Utah. Finally in October 1890, polygamy was abandoned as a tenet of the Mormon church.

These actions prompted President Benjamin Harrison in January 1893 to grant amnesty to polygamists, and Congress to return confiscated property to the Mormon church. Even more favorable was the response to legislation, introduced by the Utah Delegate, John L. Rawlins, on September 6, 1893, to enable Utah to become a State. In 1894, Congress passed an enabling act permitting Utah to hold a constitutional convention (28 Stat. 107). The following year, a constitution was ratified, and on January 4, 1896, President Grover Cleveland proclaimed Utah A State (29 Stat. 876).

Vermont

From 1749 to 1777, the area now known as Vermont was called the "New Hampshire Grants" because the Governor of New Hampshire had granted lands to settlers in territory also claimed by New York. A New York protest resulted in a decision by King George prohibiting further grants by New Hampshire. An attempt by New York to regrant lands encountered organized resistance by the Green Mountain Boys led by Ethan Allen. The Green Mountain Boys successfully defied both the British and New York.

During the American Revolution, the New Hampshire Grants declared their independence and became known as New Connecticut. In 1777, the name Vermont was adopted, and a constitution for the independent republic was drafted.

Efforts by Vermont to obtain statehood, however, were thwarted by New York and other States which still had claims on the territory. By 1790, it became apparent that Kentucky would soon seek admission as a State. Although sectional rivalries were not yet fully developed, some thought was now given to the admission of Vermont, a northern free State, in order to offset the admission of Kentucky, a southern slave State. After some negotiation between commissioners from New York and Vermont, agreement on land claims, boundary lines, and compensation was reached, and in 1790, New York consented to the admission of Vermont as a State. In January 1791, Vermont ratified the Constitution of the United States and petitioned Congress for admission as a State. Congressional action was swift; in February 1791, both houses approved an admission bill which declared simply that "the State of Vermont" shall be received and admitted into the Union as a new and entire member of the United States of America." On February 18, 1791, President George Washington signed the bill admitting Vermont, to become effective March 4, 1791 (1 Stat. 191).

Washington

Washington was organized as a territory on March 2, 1853 (10 Stat. 172) from part of Oregon Territory.

As early as 1867, the territorial legislature petitioned Congress for admission into the Union. It was not until 1878, however, that the territorial legislature, on its own initative and without congressional authorization, issued a call for a constitutional convention. A convention was held in Walla Walla during June and July. The constitution produced by this convention was approved by the people of the territory in November 1878, but was ignored by Congress.

Statehood proponents persisted, and from 1877 on, were able to have at least one enabling act introduced in every Congress. Statehood for Washington encountered opposition in Congress, largely from the Democrats, who were reluctant to admit a Republican State unless a Democratic State was admitted at the same time.

In 1876, the Democrats supported the admission of Colorado in the mistaken belief that the new State would vote Democratic. In the election of 1876, Colorado's three electoral votes were cast for the Republican presidential candidate, Rutherford B. Hayes. As one historian observed: "Little wonder that for decade after the Democrats were leery of consenting to the creation of any additional new states, except strictly on a quid pro quo basis."[49]

In the meantime, the population of Washington Territory had increased rapidly, largely because of the expansion of the Northern Pacific Railroad. In 1880, for example, the population of the territory was 75,116. The census of 1890, taken a few months after statehood was granted, revealed a population of 357,232.

In November 1888, the Republican Party broke the political deadlock by electing a Republican President and majorities in both Houses of Congress. In February 1889, an enabling act (25 Stat. 676) for the territories of North Dakota, South Dakota, Montana, and Washington (the "Omnibus" States), was signed and the territories were authorized to hold constitutional conventions.

The Washington constitutional convention met at Olympia on July 4, and on October 1 the voters approved the constitution drafted by this convention. Finally, on November 11, 1889, President Benjamin Harri-

son signed a proclamation admitting Washington into the Union (26 Stat. 1552).

West Virginia

On April 17, 1861, Virginia seceded from the Union. The western part of Virginia, always at odds with the eastern part of the State, opposed secession, and in May, 1861, representatives from counties in the western areas formed a new "State" called "Kanawha." In June a "Restored General Assembly," loyal to the Federal Government, was formed. A constitutional convention was held from November 1861 to February 1862, during which time the name West Virginia was chosen. The constitution formulated by the West Virginia convention, however, failed to provide for the elimination of slavery. In the meantime, Confederage efforts to restore the area to southern control were thwarted by Union forces.

In May 1862, the "Restored General Assembly," that is, the loyal, Federally recognized legislature of Virginia, gave its approval to the formation of a new State, West Virginia, thus complying with the provisions of the United States Constitution (Article IV, section 3) that no new State be formed within the jurisdiction of an existing State without the consent of that State's legislature.

The admission of West Virginia caused an extensive debate in Congress where it was opposed on the grounds that the government created was "irregular" and of dubious constitutionality. Moreover, the constitution of the new State was faulted because of its omission of any kind of emancipation provisions. Supporters of statehood countered the "irregular" charge by citing the precedents of Kentucky, Vermont, and Maine, and solved the slavery problem by attaching an amendment to the State's constitution providing for gradual emancipation. Eventually, an admission act was passed on December 31, 1862, providing for admission on condition that the people of West Virginia accept the amended constitution (12 Stat. 633). The amended constitution was accepted by the people of West Virginia in March 1863, and West Virginia was admitted into the Union by Presidential proclamation on April 20, 1863, to become effective sixty days later, i.e., June 30, 1863 (13 Stat. 731).

Wisconsin

Wisconsin Territory was formed from part of Michigan Territory, and was organized as a territory on April 20, 1836 (5 Stat. 10). The area of Wisconsin Territory was later reduced to approximately its present size by the creation of Iowa Territory in 1838 (5 Stat. 235).

In the 1840s, statehood was supported by the leaders of both majority parties in Wisconsin Territory, and voting on the issue became almost an annual event. None of these early plebiscites was successful. By 1846, however, the combined pressures of growth in population and dissatisfaction with the amount of congressional appropriations for the territory caused a reversal of public opinion regarding statehood, and a recommendation by the Governor for another plebiscite was endorsed by the legislature. In April 1846, voters in the territory supported statehood by a large majority.

An enabling act was accordingly passed by Congress authorizing the drafting of a State constitution (9 Stat. 56). The constitution subsequently formed by a convention in Wisconsin was rejected by the people in April 1847.[50] In the meantime, an admission act had been passed by the Congress on March 3, 1847 (9 Stat. 178). Admission was contingent on the acceptance of a constitution by the people of the territory. If a constitution were approved, admission would be completed by a Presidential proclamation. In March 1848, a second constitution was accepted by the people, and Wisconsin was admitted into the Union by Presidential proclamation on May 29, 1848 (9 Stat. 233).

There was little or no debate in Congress on the admission of Wisconsin into the Union. Admission was supported by the Northerners, and Southerners acquiesced inasmuch as Florida and Texas had been admitted in 1845. The sectional balance was thus, for the moment, restored.

Wyoming

Wyoming was organized as a territory on July 25, 1868, from areas previously included in the Dakota, Idaho, and Utah Territories (15 Stat. 178).

In the late 1860s, the Union Pacific railroad opened the territory for settlement by the cattlemen and the homesteaders. Statehood sentiment was slow in developing because of range wars, Indian problems, and political differences.[51]

In 1889, however, Wyoming, like Idaho, was left out of the enabling bill for Washington, North Dakota, South Dakota, and Montana (the "Omnibus States"). The Governor of the territory, Francis E. Warren, then took the initiative and called a constitutional convention. A constitution was drafted and approved by the residents of the territory in November 1889.

There was little opposition in Congress to statehood for Wyoming. What opposition there was centered on the territory's small population and the women suffrage provision in the territory's constitution.[52]

Wyoming was admitted into the Union by act of Congress on July 10, 1890 (26 Stat. 222).

FOOTNOTES

[1] Plano, Jack, and Milton Greenberg. The America Political Dictionary. New York, Holt, Rinehart and Winston, 1979. p. 32.

It should be noted that under this "usual" procedure the State constitution is approved by Congress. This approval may be accomplished by one of two methods.

"First, Congress passes an act of admission which either expressly or by implication finds that the conditions precedent to admission have been met; [sic] second, Congress may direct the President to look into the facts. If the President finds as a fact that the conditions previously fixed by Congress have been complied with, the President is authorized and directed to issue a proclamation of admission. However, the state comes in under Congressional action, for the President here is acting but as part of an administrative process." Park, Lawrence N. Admission of States and the Declaration of Independence. Temple Law Quarterly, v. 33, 1960. p. 405.

Some States were admitted through a Presidential proclamation as authorized by the enabling act, without a subsequent act of admission. (See Appendix I).

[2] In 1803 Ohio became the first State to enter the Union following this "usual" procedure (2 Stat. 201).

[3] U.S. Library of Congress. Congressional Research Service. Admission of States Into the Union: A Brief Summary of Procedures. Report No. 70-156 GGR, by William R. Tansill. Washington, 1970. p. 4-5.

[4] U.S. Congress. Senate. Committee on Interior and Insular Affairs. Providing for the Admission of Alaska Into the Union. Report with Minority Views to Accompany H.R. 331. Senate Report No. 1929, 81st Cong., 2d Sess. Washington, U.S. Govt. Print. Off., 1950. p. 7. This appears to be the first time that these "traditional" requirements were enumerated in a congressional document.

[5] Davila-Colon, Luis R. Equal Citizenship, Self-Determination, and the U.S. Statehood Process: A Constitutional and Historical Analysis. Case Western Reserve Journal of International Law, v. 13, Spring 1981. p. 360.

[6] The Alaskans followed the "Tennessee Plan" in seeking statehood. This tactic, first followed by Tennessee in 1796, calls for the incipient State to draft a "State" constitution, convene a legislative body and choose two "Senators," (before the 17th amendment to the U.S. Constitution provided for the direct election of United States Senators) and to elect by popular vote "Representatives" to the United States Congress. These actions were done without congressional authorization. The "State" delegation would then lobby for statehood in Congress. Since 1796, six States (Michigan, Iowa, California, Oregon, Kansas, and Alaska) have followed the same procedure. These States are known as "Tennessee Plan States."

[7] Faulk, Odie B. Arizona: A Short History. Norman, University of Oklahoma Press, 1980. p. 189.

[8] Scroggs, Jack B. Arkansas Statehood: A Study in State and National Political Schism. Arkansas Historical Quarterly, v. 20, Autumn 1961, p. 235. Scroggs maintains that the opposition to statehood for Michigan and Arkansas "revealed a conflict between opposing political forces on the national scene," and that both factions, Jacksonians and Whigs, attempted to "manipulate the entrance of the two states as to best serve party purposes." Ibid., p. 243. Both States gave their electoral votes in the next presidential election to the Democrat, Martin Van Buren.

[9] Senator John C. Calhoun of South Carolina, for example, on March 4, 1850, spoke against the California action as having usurped the "authority of Congress'" in legislating for the territories. California, of course, did not have any territorial status before admission. Calhoun further believed that California's action was "revolutionary and rebellious in its character, anarchial in its tendency, and calculated to lead to the most dangerous consequences." Congressional Globe, 31st Congress, 1st Sess., v. XXII, part 1, p. 454.

[10] The "Senators" and two "Representatives" from California, who had lobbied for statehood, were seated on September 10 and 11, respectively.

[11] Colorado's enabling act provided that when the constitution was approved by the people of the territory, "it shall be the duty of the President of the United States to issue his proclamation declaring the State admitted into the Union on an equal footing with the original States, without any further action whatever on the part of Congress." In enabling acts for eight States, passed between 1861 and 1906 (Nevada, Colorado, North Dakota, South Dakota, Montana, Washington, Utah, Oklahoma), the President was specifically authorized to issue a Presidential proclamation without the necessity for an act of admission.

[12] Athearn, Robert G. The Coloradans. Albuquerque, University of New Mexico Press, 1976, p. 102.

[13] Pro and Con Discussion: Statehood Now for Hawaii and Alaska? Congressional Digest, v. 29, November 1950. p. 275-285.

[14] Thomas, Dana Lee. The Story of American Statehood. New York, Wilfred Funk, Inc., 1961. p. 257.

[15] By the end of the year, all four of the States had entered the Union. (See p. 31-32).

[16] Admission of Idaho. Congressional Record, 51st Cong., 1st Sess., July 1, 1980, vol. 21, part 7, pp. 6832-6834. See also Peirce, Neal R. The Mountain States of America. New York, W.W. Norton & Co., Inc., 1972. P. 125.

[17] Congressional doubts about the size of the Illinois population were apparently justified. According to one historian, the census conducted by Illinois was "a series of frauds." Originally scheduled to end on June 1, the census was extended to December 1, during which time "overzealous commissioners were counting some settlers two or three times and even listing families repeatedly as they crossed the state on the way to Missouri. The counties reported more people than they had when the federal census was taken two years later. Round-figure estimates based 'on good information' were entered for distant forts and the Madison County census included an estimate of six hundred residents at Prairie du Chien, far outside the boundaries of the proposed state. Eventually the count reached 40,258 and was reported at face value. Later, when it didn't make any difference, a federal report said Illinois had 34,620 when it was admitted as a state." Howard, Robert P. Illinois: A History of the Prairie State. Grand Rapids, Michigan, William B. Eerdmans Publishing Company, 1972. p. 102.

The same author claims that "on a population basis Illinois has the distinction of being the smallest state ever admitted into the Union." Ibid., p. 98.

[18] Kansas, A Guide to the Sunflower State. Compiled and Written by the Federal Writers' Project of the Work Projects Administration for the State of Kansas. New York, Hastings House, 1949. p. 52.

[19] A previous act of admission passed both Houses and was signed by the President on May 4, 1858 (11 Stat. 269). This compromise measure, however, provided for a popular vote on the pro-slavery "Lecompton constitution." On August 2, 1858, Kansas voters rejected this constitution.

[20] Goodwyn, Lawrence, et al. The South Central States. New York, Time Incorporated, 1967. p. 38

[21] Statehood advocates in Michigan, in an effort to justify their action in following the example of Tennessee, published a small pamphlet entitled: Proceedings of Congress in 1796, on the Admission of Tennessee as a State, into the Union, Upon a Footing with the Original States, a case in point, so far as regards our present position, in the State of Michigan.

[22] Minnesota's action contained elements of the "Tennessee Plan" in that "Senators" and "Representatives" were elected before statehood, but differs because an enabling act had been passed for Minnesota.

[23] One historian has termed the extensive debate on the admission of Minnesota "needless palaver," which "covers nearly three hundred columns on the Congressional Globe, averaging almost a thousand words each." Fowell, William Watts. A history of Minnesota. Vol. II. St. Paul, Minnesota Historical Society, 1961. p. 18.

[24] The "Missouri Compromise" was that portion of the Missouri Enabling Act (3 Stat. 545) which provided "that in all territory ceded by France to the United States . . . which lies north of 36 degrees and 30 minutes north latitude, not included within the limits of the state [of Missouri] . . . slavery . . . shall be, and is hereby, forever prohibited."

[25] These four "omnibus" States were Republican. When Idaho and Wyoming were admitted in 1890, the Republicans could claim twelve new Senators and seven Representatives. As one historian observed: "The admission of new states has nearly always been a matter of political adjustment." Paxson, Frederick L. The Admission of the 'Omnibus' States, 1889-90. Proceedings of the State Historical Society of Wisconsin at its Fifty-Ninth Annual Meeting, October 26, 1911. Madison, Wisconsin. p. 94.

[26] Some congressmen, most notably Senator Sam Houston of Texas, objected to organization of the territory because the area had been set aside for the Indians. Subsequent negotiations removed Indian title to much of the area.

[27] In order to expedite approval of the constitution, Nevadans telegraphed the document in its entirety, at considerable expense, to Washington.

[28] The population of Nevada in 1860 was 6,857. In 1870, the Census reported a population of 42,491. The fact that the "territory at most had less than a sixth of the population then required for single representative in Congress was brushed aside by the advocates of Statehood." Nevada, A Guide to the Silver State. Compiled by the Writers' Program of the Work Projects Administration in the State of Nevada. Portland, Oregon, Binfords and Mort, 1940, p. 43.

[29] De La Cruz, Jesse. Rejection Because of Race: Albert J. Beveridge and Nuevo Mexico's Struggle for Statehood, 1902-1903. Aztlan, v. 7, Spring 1976, p. 84. See also Ellis, Richard N. ed. New Mexico, Past and Present: A Historical Reader. Albuquerque, University of New Mexico Press, 1971. p. 206.

[30] Ellis, New Mexico, p. 198-201.

[31] Ellis, New Mexico, p. 206. See also De La Cruz, Rejection Because of Race, p. 79-97.

[32] In 1889, four Republican States were admitted (North Dakota, South Dakota, Montana, and Washington), leading one historian to comment: "Political maneuvering defeated its own end. At any time between 1883 and 1888 the Democrats might probably have bargained New Mexico and Arizona against the inevitable Dakotas; now they had held out so long that they had nothing to offer and no strength with which to withstand the bludgeon of Republican success at the polls in 1888." Paxson, The Admission of the "Omnibus" States, 1889-90, p. 92.

[33] The Northwest Territory was composed of Western lands ceded by Virginia and other States to the government established under the Articles of Confederation. In 1787, the Congress of the Confederation enacted the Northwest Ordinance which provided a civil government for the ceded lands. The Ordinance also provided for the division of the territory and the creation of not less than three nor more than five States from these divisions whenever the population reached 60,000 free inhabitants, although this requirement could be waived. The Ordinance further provided that the government and constitution of any new State should be "republican," and prohibited slavery in the new States. The Northwest Ordinance of 1787 was confirmed in an act (1 Stat. 50. August 7, 1789) of the new Congress established after the ratification of the Constitution of the United States.

[34] The Jeffersonians in the territory tried to have St. Clair removed but were unsuccessful. At the Ohio constitutional convention in 1802, however, St. Clair "denounced as a nullity the Ohio enabling act of Congress. He was thereupon removed from office by Jefferson." See Malone, Dumas, ed. Dictionary of American Biography. New York, Charles Scribner's Sons, 1935, v. 8, p. 295.

[35] In 1953, Congress passed a joint resolution (67 Stat. 407) establishing March 1, 1803 as the date for the admission of Ohio into the Union because it was on that date that the Ohio legislature was seated, the first Governor took office, and Ohio began functioning as a State. It should be noted that Ohio was the first State formed from the Northwest Territory and was the first State admitted by an enabling act. Three previous States—Vermont, Kentucky, and Tennessee—were admitted by simple acts of admission. From 1803 on, all enabling acts and admission acts (except those for Maine and Michigan) contained an express condition that the constitution of the new State must provide for the establishment of a republican form of government.

[36] Pierce, Neal R. The Great Plains States of America: People, Politics, and Power in the Nine Great Plains States. New York, W. W. Norton & Company, Inc., 1973. pp. 250-251. In 1901, Congress made the Indians in Indian Territory United States Citizens (31 Stat. 1447).

[37] Omnibus Statehood Bill. Remarks in the Senate. Congressional Record, v. 36, Dec. 10, 1902. p. 193.

[38] Ellinger, Charles Wayne. Political Obstacles Barring Oklahoma's Admission to Statehood, 1890-1906. Great Plains Journal, v. 3, Spring 1964. p. 80.

[39] Carey, Charles H. The Creation of Oregon as a State. Oregon Historical Society, v. 26, December 1925, p. 303.

[40] Carey, Charles H., ed. The Oregon Constitution. Salem, State Printing Dept., 1926. p. 45.

[41] Ibid., p. 50-51.

[42] Bancroft, Hubert Howe. History of Oregon, V. II. San Francisco, The History Company, Publishers, 1890. p. 439, 441.

[43] Tennessee was the first State to enter the Union by this method. For a fuller explication of the philosophy behind Blount's tactics, see Williams, Samuel C. The Admission of Tennessee Into the Union, The Tennessee Historical Commission, 1945. p. 31.

[44] Tuttle, Daniel W., Jr. "State" elections prior to admittance into the Union. Report No. 1, Legislative Reference Bureau, University of Hawaii, Honolulu, 1951. p. 5.

[45] Lewis, Sarah Elizabeth. Digest of Congressional Action on the Annexation of Texas: December, 1844, to March, 1985. Southwestern Historical Quarterly, v. 50, October 1946. p. 264.

[46] This was the first instance of the use of a joint resolution to acquire foreign territory. See Bailey, Thomas A. A Diplomatic History of the American People. New York, Appleton-Century-Crofts, 1964. Seventh edition. p. 246.

[47] From time to time, various proposals were made in Texas and in Congress for division of the State, but none of these proposals materialized.

[48] In 1849, for example, the Mormons established the "State of Deseret," drafted a constitution, elected various officials, and petitioned Congress for admission into the Union. Congress replied by creating the Utah Territory in 1950.

[49] Beckett, Paul Louis. From Wilderness to Enabling Act. Pullman, Washington State University Press, 1968. p. 78.

[50] Many voters may have been dissuaded by the constitution's liberal provisions: married women were allowed to hold property, and the judiciary were to be elected, for example.

[51] Pierce, The Mountain States, p. 68-71. See also Eblen, Jack Ericson. The First and Second United States Empires: Governors and Territorial Government, 1784-1912. Pittsburgh, University of Pittsburgh Press, 1968. p. 219-220.

[52] In 1869, the first territorial legislature granted equal rights to women.

APPENDIX A: SELECTED DATA ON ADMISSION OF STATES

TABLE 1.—KEY DATES IN THE ADMISSION OF THE 37 STATES ADMITTED AFTER THE ORIGINAL 13 STATES

State	Date of territorial act	Date of enabling act	Date of admission act	Effective admission		Years elapsed between territorial status and statehood	Estimated population at time of admission
				Date	Order		
Alabama	Mar. 3, 1817	Mar. 2, 1819	Dec. 14, 1819	Dec. 14, 1819	9	2	144,317
Alaska	Aug. 24, 1912	None	July 7, 1958	Jan. 3, 1959	36	47	211,000
Arizona	Feb. 24, 1863	June 20, 1910	Aug. 21, 1911	Feb. 14, 1912	35	49	216,639
Arkansas	Mar. 2, 1819	None	June 15, 1836	June 15, 1836	12	17	52,240
California	None	do	Sept. 9, 1850	Sept. 9, 1850	18	(2)	107,000
Colorado	Feb. 28, 1861	Mar. 3, 1875	(1)	Aug. 1, 1876	25	15	150,000
Florida	Mar. 30, 1822	None	Mar. 3, 1845	Mar. 3, 1845	14	23	54,477
Hawaii	Apr. 30, 1900	do	Mar. 18, 1959	Aug. 21, 1959	37	59	211,000
Idaho	Mar. 3, 1863	do	July 3, 1890	July 3, 1890	30	27	84,385
Illinois	Feb. 3, 1809	Apr. 18, 1818	Dec. 3, 1818	Dec. 3, 1818	8	9	34,620
Indiana	May 7, 1800	Apr. 19, 1816	Dec. 11, 1816	Dec. 11, 1816	6	16	63,897
Iowa	June 12, 1838	None	Mar. 3, 1845	Dec. 28, 1846	16	8	81,920
Kansas	May 30, 1854	do	Jan. 29, 1861	Jan. 29, 1861	21	7	107,206
Kentucky	None	do	Feb. 4, 1791	June 1, 1792	2	(3)	73,677
Louisiana	Mar. 26, 1804	Feb. 20, 1811	Apr. 8, 1812	Apr. 30, 1812	5	8	76,556
Maine	None	None	Mar. 3, 1820	Mar. 15, 1820	10	(3)	298,335
Michigan	Jan. 11, 1805	do	June 15, 1836	Jan. 26, 1837	13	32	200,000
Minnesota	Mar. 3, 1849	Feb. 26, 1857	May 11, 1858	May 11, 1858	19	9	150,042
Mississippi	Apr. 7, 1798	Mar. 1, 1817	Dec. 10, 1817	Dec. 10, 1817	7	19	75,512
Missouri	June 4, 1812	Mar. 6, 1820	Mar. 2, 1821	Aug. 10, 1821	11	9	66,586
Montana	May 26, 1864	Feb. 22, 1889	(1)	Nov. 8, 1889	28	25	112,000
Nebraska	May 30, 1854	Apr. 19, 1864	Feb. 9, 1867	Mar. 1, 1867	24	13	60,000

TABLE 1.—KEY DATES IN THE ADMISSION OF THE 37 STATES ADMITTED AFTER THE ORIGINAL 13 STATES—Continued

State	Date of territorial act	Date of enabling act	Date of admission act	Effective admission		Years elapsed between territorial status and statehood	Estimated population at time of admission
				Date	Order		
Nevada	Mar. 2, 1861	Mar. 21, 1864	(1)	Oct. 31, 1864	23	3	40,000
New Mexico	Sept. 9, 1850	June 20, 1910	Aug. 21, 1911	Jan. 6, 1912	34	62	338,470
North Dakota	Mar. 2, 1861	Feb. 22, 1889	(1)	Nov. 2, 1889	26	28	460,000
Ohio	Aug. 7, 1787	Apr. 30, 1802	Aug. 7, 1953	Mar. 1, 1803	4	16	41,915
Oklahoma	May 2, 1890	June 16, 1906	(1)	Nov. 16, 1907	33	17	1,414,177
Oregon	Aug. 14, 1848	None	Feb. 14, 1859	Feb. 14, 1859	20	11	52,465
South Dakota	Mar. 2, 1861	Feb. 22, 1889	(1)	Nov. 2, 1889	27	28	(4)
Tennessee	May 26, 1790	None	June 1, 1796	June 1, 1796	3	6	77,262
Texas	None	do	Dec. 19, 1845	Dec. 29, 1845	15	(5)	250,000
Utah	Sept. 9, 1850	July 16, 1894	(1)	Jan. 4, 1896	32	46	241,000
Vermont	None	None	Feb. 18, 1791	Mar. 4, 1791	1	(3)	85,539
Washington	Mar. 2, 1853	Feb. 22, 1889	(1)	Nov. 11, 1889	29	36	273,000
Wisconsin	Apr. 20, 1836	Aug. 6, 1846	Mar. 3, 1847	May 29, 1848	17	12	210,000
West Virginia	None	None	Dec. 31, 1862	June 19, 1863	22	(2)	376,683
Wyoming	July 25, 1868	do	July 10, 1890	July 10, 1890	31	22	60,705

[1] Admitted through a Presidential proclamation as authorized by the enabling acts.
[2] Was an unorganized area under military rule and did not have a territorial act prior to statehood.
[3] Was never a territory but formed from an existing State.
[4] The 460,000 represents combined population for North and South Dakota.
[5] Went from independent Republic to statehood without territorial status.

Source.—U.S. General Accounting Office. Experiences of Past Territories Can Assist Puerto Rico Status Deliberations; Report to the Congress of the United States by the Comptroller General. GGD–80–26, March 7, 1980. Washington, 1980. pp. 8, 19.

DEMONSTRATIONS AT THE SOUTH AFRICAN EMBASSY—HISTORY OF THE STATUTE

Mr. KENNEDY. Mr. President, the impressive daily demonstrations that have been taking place at the South African Embassy since last November in protest against apartheid have a distinguished heritage. In the current issue of the "District Lawyer," Mr. Dan Rezneck details the origin of the Federal statute relating to such demonstrations, which was enacted in 1938 in response to protests against the intervention of Germany and Italy in the Spanish Civil War. I commend Mr. Rezneck for his fine article, and I ask unanimous consent that it may be printed in the RECORD.

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

[From The District Lawyer March/April 1985]

YOU'LL KNOW TO JAIL I'VE GONE; YOU CAN HEAR THE WHISTLE BLOW—500 FEET

(By Daniel A. Rezneck)

The recent months of protests at the South African Embassy against the apartheid system recall a nearly forgotten chapter in American legal and diplomatic history: the genesis of the Act of Congress forbidding even peaceful picketing within 500 feet of an embassy in Washington, D.C., if intended to "bring into public odium any foreign government." (A similar act created a 100-foot demonstration-free zone around foreign diplomatic missions elsewhere in the United States.)

This legislation is hardly of ancient lineage—it dates only from 1938. Indeed, there was no precedent for it in American law. The Republic survived for 150 years without any perceived need for such a prohibition.

It was the ideological turmoil of the 1930s, engendered by the spread of totalitarianism abroad, that brought pickets into the streets of Washington to protest in front of foreign embassies. The catalyst was the Spanish Civil War and the German and Italian intervention on the side of Franco's rebellion against the Spanish Republic.

In 1937 pickets first appeared outside the German and Italian embassies. Some demonstrators marched silently while others chanted and displayed signs denouncing the actions of the Nazi and Fascist governments in the Spanish conflict. Both the Metropolitan Police Department and the U.S. State Department became alarmed, although contemporary newspaper accounts indicate that the picketing was peaceful. In a report that lamented the inability of the police to stop the demonstrations, Inspector Kelly of the Police Department described them as "a regular nuisance [that] should be broken up." Secretary of State Cordell Hull wrote to the chairman of the Senate Foreign Relations Committee, Key Pittman of Nevada, that it was "extremely embarrassing" to the State Department "to be reminded by representatives of foreign governments in the United States that their missions are being interfered with by individuals or groups, particularly when existing domestic law does not seem to cover the situations of which complaint is made."

The congressional response to those complaints was a joint resolution that became the present 500-foot law. The measure had a stormier passage through Congress than its sponsors anticipated. Opponents both inside and outside Congress invoked the constitutional rights of assembly and petitions. During the debates in August 1937, Senator Pittman insisted that the legislation was necessary to protect American nationals abroad and American diplomatic missions against retaliation by foreign governments. He said. "It is unreasonable to give consideration for a single moment to a matter of so little moment as the demand of persons to be allowed to go up to the door of an embassy . . . for the purpose of putting up and displaying signs in criticism or condemnation of the country there represented." This argument was not persuasive to the opposition, led by Senator Robert M. LaFollette, Jr., of Wisconsin, son of the famous "Fighting Bob" and a noted civil libertarian. (He was later to be defeated by Senator Joseph R. McCarthy.) LaFollette responded, "We have been established as a government for a long time and this is the first time so far as I know that any such proposal as this has ever been suggested . . . so far as I have been able to ascertain, in not a single democratic government in the world is there any such provision on the statute books as is now proposed to be put on our books by the Senator from Nevada."

LaFollette urged rejection of the Pittman resolution and proposed an amendment to the District's existing disorderly conduct statute to make it clear that foreign embassies were protected under the statute. Pittman and the State Department, however, regarded this as an "undignified" way of treating the matter. The LaFollette amendment was defeated, and the present legislation was passed.

It became law on February 15, 1938. Given the turbulence of the times it is not surprising that the legislation did not stop the picketing. Within a month Hitler took over Austria and the pickets were back at the German and Austrian diplomatic missions on Massachusetts Avenue. The Washington Post reported that they paraded with anti-Nazi placards and sang "The Star-Spangled Banner" and "America the Beautiful." Police seized 39 protesters and charged them under the new law. Four defendants decided to make a test case of the law, and lawyers from the American Civil Liberties Union mounted a spirited defense on constitutional grounds in the old Police Court of the District of Columbia (a remote ancestor of the present Superior Court). All four were convicted.

The U.S. Court of Appeals for the District of Columbia, which included Fred Vinson, a future Chief Justice of the United States, heard arguments in the case in October 1938, during the week of the Munich crisis. The court affirmed the convictions within a month, finding that the defendants had "flagrantly violated" the law by carrying placards containing language critical of the government of Nazi Germany, "the repetition of which would accomplish no good purpose." The Court discerned "no substance" in any of the defendants' constitutional arguments (First Amendment jurisprudence was still undeveloped in 1938), and the following year the U.S. Supreme Court refused to review the case.

The statute has stood from that day to now. Although in later cases it was limited somewhat in its scope by the Court of Appeals, it has been invoked against numerous groups of protestors of widely varying points of view. But if its initiators thought that they could insulate foreign diplomats from the robust expression by Americans of their passionately held convictions, they were wrong.

IN SUPPORT OF THE ENGLISH LANGUAGE AMENDMENT

Mr. DENTON. Mr. President, recently there has been a great deal of attention given to the English language amendment, which was introduced on January 22 by my distinguished colleague from Idaho, Senator SYMMS. People from all over the country have expressed their support for this effort to make English the official language of the United States.

Of the many letters that I have received, one in particular stands out as an example of why we need to preserve the primacy of the English language in our country. I ask unanimous consent that the letter be printed in the RECORD immediately following my remarks.

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

(See exhibit 1.)

Mr. DENTON. Mr. President, the letter was written by Mrs. Lucy Tristani, of Lancaster, PA. Mrs. Tristani is an Italian immigrant who came to the United States in 1946 knowing not one word of English. She struggled to master the English language, and it is evident, both from the substance and from the form and style of her letter, that she succeeded. It is also obvious from Mrs. Tristani's letter that her pride in America is a product of the effort she made to learn the English langauge.

Mr. President, I do not understand how we can expect a new citizen to become a thoroughly integrated member of our society unless we provided him or her with the opportunity and incentive to acquire a fundamental, workable knowledge of the English language. I firmly believe that if we provide that opportunity and incentive, each new immigrant will develop the same pride in America that Mrs. Tristani displays in her touching letter.

I encourage each of my colleagues to take Mrs. Tristani's letter to heart and to cosponsor and support Senate Joint Resolution 20, the English language amendment.

(EXHIBIT 1)

MARCH 7, 1985.

Senator JEREMIAH DENTON,
U.S. Senate,
Washington, DC.

SENATOR DENTON: I have read an article in the Intelligence Journal of Lancaster, PA, where I reside, about your proposal to make English the official language of the U.S.

I support you fully on this and I feel it is long overdue for the Senate to take action on this matter.

I am an Italian immigrant a U.S. citizen, who came to live in the United States in October 1946. I did not know one word of English and learning the language was not an easy task. It required willpower, overcoming mockery by others and discrimination in many fields. I cried many times because I felt inadequate.

I was two months short of seventeen years old, so you can understand the frustration I felt.

There was no help out in the English speaking world for me and for many others like me except night school to learn the language. All of us who learned worked very hard at it.

We did not have instructions for different things in Italian or what other language we spoke. We read it, and tried to understand, in English.

Now we have bilingual schools, bilingual everything. We do not educate kids to learn English, we educate them in Spanish. If we educate kids in Spanish why not all other languages? Civil liberties groups have argued the amendment would discriminate against those who don't speak English. Not having this amendment would discriminate against those who worked so hard to learn.

When my cousins came from Italy at 6 and 10 years of age, they were sent to school within days after they arrived and were put in the regular classrooms, with English speaking children, no special treatments and no special teachings.

And they learned, went on to college and received degrees through hard work.

Keeping our schools bilingual is a grave error. These children will never feel they belong. They are discriminated against because they have bilingual teachings.

Do I sound resentful because I did not have it easy? Maybe to a degree I am but I also feel I am the better for it, because I did not have it easy. If I had it easy, I probably would not have been able to write to you.

I am proud of my heritage, of being an American citizen and of the U.S.A. Some groups will argue about preserving cultural attitudes. Our schools are here to teach children to write and read and to point them in the right direction in life.

Racial and nationality cultures are preserved in the home.

We as Italian immigrants have certain traditions we maintain. They are taught in the home and we would not expect the schools to contribute to it.

We have come to the United States and we have to learn the American way of life, including, at the top of the list, the English language. We should be proud to be an English speaking people. Our native language can be spoken at home with equal pride. Thank you for taking the time to read this letter.

I wish you success in this endeavor.

Mrs. LUCY TRISTAM.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on April 18 and April 19, 1985, during the recess of the Senate, received messages from the President of the United States transmitting sundry nominations; which were referred to the appropriate committees.

(The nominations received on April 18 and April 19, 1985, are printed at the end of the Senate proceedings.)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT CONCERNING THE NATIONAL EMERGENCY WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT—PM 37

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

Pursuant to Section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. Section 1703(c), I hereby report to the Congress on developments since my last report of October 31, 1984, concerning the national emergency with respect to Iran that was declared in Executive Order No. 12170 of November 14, 1979.

1. The Iran-United States Claims Tribunal, established at The Hague pursuant to the Claims Settlement Agreement of January 19, 1981 (the "Algiers Accords"), continues to make progress in arbitrating the claims before it. Since my last report, the Tribunal has rendered 18 more decisions for a total of 169 final decisions. Of these, 125 have been awards in favor of American claimants; 89 were awards on agreed terms, authorizing and approving payment of settlements negotiated by the parties; and 36 were adjudicated decisions. As of March 31, 1984, total payments to successful American claimants from the Security Account stood at over $337 million. Of the remaining 44 decisions, 22 dismissed claims for lack of jurisdiction, 3 partially dismissed claims for lack of jurisdiction, 13 dismissed claims on the merits, one approved the withdrawal of a claim, four were awards in favor of the Government of Iran, and one was an award in favor of the United States Government.

2. In the past six months, there have been significant changes in the composition of the Tribunal. As I noted in my last report, Professor Karl-Heinz Bockstiegel of the Federal Republic of

Germany was selected to replace President Gunnar Lagergren, who resigned effective October 1, 1984. On December 1, 1984, Professor Bockstiegel was designated President of the Tribunal, in addition to his duties as Chairman of Chamber One. On November 29, 1984, the Government of Iran appointed two new arbitrators to replace Judges Mahmoud M. Kashani and Shafei Shafeiei, whose qualifications had been challenged by the United States following their unprecedented attack on one of the third-party arbitrators, Judge Mangard, in September 1984. The two new Iranian arbitrators, Hamid Bahrami Ahmadi and Seyed Mohsen Mostafavi Tafreshi, assumed their duties on January 15, 1985. In addition, the Chairman of Chamber Two, Willem Riphagen, submitted his resignation for health reasons, effective April 1, 1985, and the Chairman of Chamber Three, Nils Mangard, has submitted his resignation for personal reasons, effective no later than July 1, 1985. Swiss lawyer Robert Briner and French law professor Michel Virally have recently accepted invitations from the U.S. and Iranian arbitrators to join the Tribunal in place of Chairman Riphagen and Mangard.

3. In spite of the disruptions that I described in my last report, the Tribunal made some progress in arbitrating the claims of U.S. nationals for $250,000 or more. The Special Chamber, which was established to consider requests for withdrawals or terminations of claims and for awards on agreed terms, rendered 13 awards on agreed terms prior to its dissolution on January 15, 1985. With the arrival of the two new Iranian arbitrators, the Chambers have once again begun hearing and deciding cases. On March 1, the Tribunal awarded R.J. Reynolds Tobacco Co. an additional $12 million in interests on its claim, the decision in which was described in my last report. In total, more than 35 percent of the claims for over $250,000 have now been disposed of through adjudication, settlement, or voluntary withdrawal, leaving 344 such claims on the docket.

4. The Tribunal has continued with the arbitration of the claims of U.S. nationals against Iran of less than $250,000 each. In addition to 18 test cases, the Tribunal has selected 100 other claims for active arbitration. In 62 of these claims, the Department of State has submitted Supplemental Statements of Claim, containing more than 16,000 pages of text and evidence. Additional pleadings are being filed weekly. Although Iran repeatedly seeks extensions of time within which to file its responsive pleadings to these claims, the Tribunal has continued to press for their resolution. At the Tribunal, three senior legal officers and a law clerk work exclusively on these claims. Finally, since my last report, another seven of these claimants have received awards on agreed terms, bringing the total to ten.

5. The Department of State continues to coordinate the efforts of concerned governmental agencies in presenting U.S. claims against Iran as well as responses by the U.S. Government to claims brought against it by Iran. Since my last report, the Department has filed pleadings in seven government-to-government claims based on contracts for the provision of goods and services. These claims include a claim on behalf of the Agency for International Development for over $38 million based on outstanding developmental loans to the Government of Iran. In addition, the Department of State, working together with the Department of the Treasury and the Department of Justice, filed responsive pleadings in two major interpretive disputes. One related to Iran's claim to over $400 million remaining from funds transferred pursuant to the Algiers Accords for payment of Iran's syndicated debt. The other was in response to Iran's allegations that the United States breached its obligation under the Algiers Accords to terminate litigation against Iran. The Department of State also filed pleadings in four other interpretive disputes. The Tribunal held one hearing in an interpretive dispute on whether the Tribunal has jurisdiction to arbitrate approximately 111 claims brought by Iran directly against U.S. banks which do not involve standby letters of credit. Finally, two of the Tribunal's chambers have confirmed that action will be taken on or about May 20 to strike or otherwise dispose of 248 claims brought by Iran against U.S. banks based on standby letters of credit.

6. The Algiers Accords also provided for direct negotiations between U.S. banks and Bank Markazi Iran concerning the payment of nonsyndicated debt claims of U.S. banks against Iran from Dollar Account No. 2 (the interest-bearing escrow account established at the Bank of England in January 1981 with the deposit of $1.418 billion of previously blocked Iranian funds). As of April 10, 1985, three additional settlements had been reached since my last report between Iran and U.S. banks. The three settling banks, Irving Trust Company, Morgan Guaranty Trust Company, and Banker's Trust Company, received a total of $81.91 million from Dollar Account No. 2 in payment of their claims against Iran. From this amount, $73.595 million was subsequently paid by these banks to Iran in settlement of Iran's claims against them, primarily for interest on Iran's domestic deposits with these bands. (One of these banks paid Iran an additional $8.45 million from other funds.) Thus, as of April 10, 1985, there have been 29 bank settlements resulting in payments to the banks of approximately $1.5 billion from Dollar Account No. 2. From that amount, the banks have paid approximately $693 million to Iran in settlement of Iran's claims against them. About 17 banks have yet to settle their claims. In addition, attorneys from the Department of the Treasury and the Federal Reserve Bank of New York have been negotiating an "Agreed Clarification" with Bank Markazi to allow the payment from Dollar Account No. 2 of certain amounts still owing on Iran's syndicated debt.

7. There have been no changes in the Iranian Assets Control Regulations since my last report.

8. Although the attack on Judge Mangard in September seriously disrupted and delayed proceedings for three months, the Tribunal resumed full operation in January of this year and the two Iranian arbitrators who committed the attack were removed by the Government of Iran. Since that time, the Tribunal has actively pursued the arbitration of both private and government claims. Prehearing conferences and hearings that had been cancelled are being rescheduled. The Tribunal has made provision for the issuance of awards in cases heard prior to the removal of the two Iranian arbitrators and the resignations of President Lagergren and Chairmen Riphagen and Mangard. This resumption of Tribunal activities provides reason to expect that more progress will be made in the coming months.

9. Financial and diplomatic aspects of the relationship with Iran continue to represent an unusual challenge to the national security and foreign policy of the United States. I shall continue to exercise the powers at my disposal to deal with these problems and will continue to report periodically to the Congress on significant developments.

RONALD REAGAN.

THE WHITE HOUSE, *April 22, 1985.*

MESSAGE FROM THE HOUSE RECEIVED DURING THE RECESS

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on April 18, 1985, during the recess of the Senate, received a message from the House of Representatives announcing that the House has passed the following joint resolutions, without amendment:

S.J. Res. 63. Joint resolution to designate the week of April 21, 1985, through April 27, 1985, as "National DES Awareness Week;" and

S.J. Res. 109. Joint resolution to designate the week of April 14, 1985, as "Crime Victims Week."

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled joint resolution:

S.J. Res. 109. Joint resolution to designate the week of April 14, 1985, as "Crime Victims Week."

Under the authority of the order of the Senate of January 3, 1985, the enrolled joint resolution was signed on April 18, 1985 during the recess of the Senate by the President pro tempore (Mr. THURMOND).

MESSAGES FROM THE HOUSE

At 3:13 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1617. An act to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards for fiscal year 1986, and for other purposes.

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. 1617. An act to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards for fiscal year 1986, and for other purposes.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate announced that on April 19, 1985, she had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 109. Joint resolution to designate the week of April 14, 1985, as "Crime Victims Week."

REPORTS OF COMMITTEES RECEIVED DURING RECESS

Under the authority of the order of the Senate of April 18, 1985, the following reports of committees were submitted on April 19, 1985:

By Mr. LUGAR, from the Committee on Foreign Relations, without amendment:

S. 960: An original bill to amend the Foreign Assistance Act of 1961, the Arms Export Control Act and other acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, and the African Development Foundation, and for other purposes (Rept. No. 99-34).

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. Res. 139: An original resolution authorizing expenditures by the Committee on Agriculture, Nutrition, and Forestry; referred to the Committee on Rules and Administration.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-899. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend and extend the authorization of the Food Stamp Act of 1977, as amended; to the Committee on Agriculture, Nutrition, and Forestry.

EC-900. A communication from the Secretary of Agriculture, transmitting pursuant to law, the annual Animal Welfare Enforcement Report for fiscal year 1984; to the Committee on Agriculture, Nutrition, and Forestry.

EC-901. A communication from the Assistant Secretary of Defense (Comptroller), transmitting pursuant to law, the selected acquisition reports and selected acquisition report summary tables for the quarter ended December 31, 1984; to the Committee on Armed Services.

EC-902. A communication from the Acting Director of the Defense Security Assistance Agency, transmitting pursuant to law, a report concerning the Department of the Navy's proposed letter of offer to the Federal Republic of Germany for defense articles estimated to cost in excess of $50 million; to the Committee on Armed Services.

EC-903. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting pursuant to law, a report on real and personal property of the Department of Defense as of September 30, 1984; to the Committee on Armed Services.

EC-904. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to increase the rates of basic pay, basic allowance for quarters, and basic allowance for subsistence for members of the Armed Forces; to the Committee on Armed Services.

EC-905. A communication from the Director of the Office of Dependent Schools, Department of Defense, transmitting, pursuant to law, the annual test report for school year 1984-85 for the overseas dependents schools administered by the Department of Defense; to the Committee on Armed Services.

EC-906. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a report entitled "Report on the Reorganization of the Administration of the Congregate Housing Services Program"; to the Committee on Banking, Housing, and Urban Affairs.

EC-907. A communication from the President of the United States, transmitting, pursuant to law, a determination that the authority available to the Export-Import Bank is more than sufficient to meet the current estimated needs of the Bank; to the Committee on Banking, Housing, and Urban Affairs.

EC-908. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a report on HUD-owned Multifamily Project Negotiated Sales; to the Committee on Banking, Housing and Urban Development.

EC-909. A communication from the Comptroller of the Currency, transmitting, pursuant to law, the annual report on consumer complaint processing activities for 1984; to the Committee on Commerce, Science, and Transportation.

EC-910. A communication from the Administrator of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the semiannual report on the effectiveness of the Civil Aviation Security Program for the period July 1 through December 31, 1984; to the Committee on Commerce, Science, and Transportation.

EC-911. A communication from the Secretary of Energy, transmitting, pursuant to law, the annual report of the Bonneville Power Administration for 1984; to the Committee on Energy and Natural Resources.

EC-912. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report of the Skilled Nursing Facility Benefit under Medicare; to the Committee on Finance.

EC-913. A communication from the Assistant Secretary of State (Legislative and Intergovernmental Relations), transmitting, pursuant to law, a report on Haiti; to the Committee on Foreign Relations.

EC-914. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty days prior to April 10, 1985; to the Committee on Foreign Relations.

EC-915. A communication from the Chairman of the United States Parole Commission, Department of Justice, transmitting, pursuant to law, the annual report of the Commission under the Government in the Sunshine Act for calendar year 1984; to the Committee on Governmental Affairs.

EC-916. A communication from the Chairman of the Federal Deposit Insurance Corporation, transmitting, pursuant to law, the annual report of the Corporation under the Government in the Sunshine Act for calendar year 1984; to the Committee on Governmental Affairs.

EC-917. A communication from the Acting Director of the Office of Personnel Management, transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-918. A communication from the Archivist of the United States, transmitting, pursuant to law, the annual report on the records disposition activities of the Federal Government for fiscal year 1984; to the Committee on Governmental Affairs.

EC-919. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-17 adopted by the Council on March 26, 1985; to the Committee on Governmental Affairs.

EC-920. A communication from the Special Counsel of the Merit Systems Protection Board, transmitting, pursuant to law, a report on the investigation into allegations of false reports of daily turbidity readings, unavailable or non-working turbidity meters and unacceptably high turbidity readings taken when meters became available at the Red River Army Depot, Texarkana, Texas; to the Committee on Governmental Affairs.

EC-921. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to discontinue or amend certain requirements for agency reports to Congress; to the Committee on Governmental Affairs.

EC-922. A communication from the Chairwoman of the U.S. International Trade Commission transmitting, pursuant to law, the Commission's 1984 Government in the Sunshine report; to the Committee on Governmental Affairs.

EC-923. A communication from the Comptroller General of the United States transmitting, pursuant to law, an examination of Financial Statements of the Majority Printing Clerk, U.S. House of Representatives for the years ended August 31, 1983 and 1982; to the Committee on Governmental Affairs.

EC-924. A communication from the Comptroller General of the United States transmitting, pursuant to law, an examination of Financial Statements of the Minority Printing Clerk, U.S. House of Representatives for the years ended September 30, 1983 and 1982; to the Committee on Governmental Affairs.

EC-925. A communication from the Secretary of Transportation transmitting, pursuant to law, the Department's 1984 Freedom of Information Act report; to the Committee on Judiciary.

EC-926. A communication from the National Foundation on the Arts and the Humanities transmitting a draft of proposed legislation authorizing appropriations for the National Endowment for the Arts and the National Endowment for the Humanities for fiscal years 1986 through 1990; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-164. A concurrent resolution adopted by the House of Representatives of the General Assembly of the State of Indiana; to the Committee on Agriculture, Nutrition, and Forestry.

"HOUSE CONCURRENT RESOLUTION NO. 44

"Whereas, the State of Indiana, one of the major agricultural states in the United States, is suffering from a financial crisis in agriculture that affects the entire economic health of this state, as well as the economic health of the midwestern and national economies; and

"Whereas, This financial crisis affects agricultural producers and has grown to include the business communities, which together form the core of the midwestern economy; and

"Whereas, the factors which created this crisis are beyond the capacity of individuals to manage or control, including sustained high interest rates, declining land values which have eroded farm equity, commodity prices below the cost of production, and successive years of weather-related problems; and

"Whereas, the value of Indiana's agricultural land plunged during 1984 with a twenty percent drop in the value of agricultural land in twelve months, the largest single year decrease in price since the depression of the 1930's; and

"Whereas, the value of assets lost in this financial crisis has already negatively affected the machinery market and has forced many farm implement dealers and related agricultural service businesses into bankruptcy; and

"Whereas, the average United States net farm income dropped to $6,793 which represents an income $3,407 below the federal poverty level for a family of four; and

"Whereas, experts expect this crisis to broaden during the immediate weeks prior to the spring 1985 planting season, thus endangering the financial health of farmers, state and federally chartered lending institutions, rural small businesses, and agricultural manufacturers: Therefore,

"Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:

SECTION 1. That the Congress of the United States be requested to immediately hold local and statewide hearings involving the United States Department of Agriculture and federal credit officials to examine the current crisis and to determine the immediate actions necessary to alleviate this crisis, and Congress is further requested to use the 1985 Federal Farm Bill to restructure the financial burden currently facing agricultural producers and businesses.

SECTION 2. That the Principal Clerk of the Indiana House of Representatives is hereby requested to send copies of this Resolution to the President of the United States, the Speaker and Clerk of the United States House of Representatives, the President and Secretary of the United States Senate, the Chairperson of the Senate and House of Representatives Agriculture Committees, the Secretary of the United States Department of Agriculture and each member of the Indiana Congressional Delegation."

POM-165. A resolution adopted by the General Court of the Commonwealth of Massachusetts; to the Committee on Agriculture, Nutrition, and Forestry.

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO OPPOSE FURTHER REDUCTIONS IN FEDERAL SUPPORT FOR CHILD NUTRITION PROGRAMS.

"Whereas, the Omnibus Reconciliation Act of 1981 substantially reduced Federal support for Child Nutrition Programs for the first time in history resulting in the loss of 3 million children, including needy children, from the programs; and

"Whereas, the budget cut enacted in 1981 was 10 times greater than the Child Nutrition Program's share of the Federal budget; and

"Whereas, the proposed 1986 Child Nutrition amendments would eliminate Federal support for meals served to children from families with income above 185 percent of the poverty line. These payments support basic infrastructure of the programs including the National School Lunch Program. Without this support, school districts could not afford to participate in the National School Lunch Program, thereby depriving all children of the nutritional value of the program; and

"Whereas, recent United States Department of Agriculture and other studies have shown that Child Nutrition Programs have been successful in improving the nutritional intake of children in all income categories and have dramatically reduced hunger in America; and

"Whereas, the potential consequences of the budget reductions defeat the Congress's original purpose and intent of the Child Nutrition Programs ". . . as a measure of national security, to safeguard the health and well-being of the Nation's children . . .": Therefore be it

"Resolved, That the Massachusetts General Court respectively urges that the United States Congress continue the current level of support for all Child Nutrition Programs; and be it further

"Resolved, That copies of these resolutions be forwarded by the Clerk of the House of Representatives to the President of the United States, to the Presiding Officer of each branch of the Congress, and to each Member of the United States Senate and United States House of Representatives from the Commonwealth."

POM-166. A concurrent resolution adopted by the Legislative Assembly of the State of North Dakota; to the Committee Commerce, Science, and Transportation.

"SENATE CONCURRENT RESOLUTION NO. 4068

"Whereas, Amtrak the corporation designated by Congress to provide a minimum basic national rail passenger service, provides essential passenger transportation services to North Dakota and the nation which may be lost if Congress approves elimination of federal subsidies for AMTRAK; and

"Whereas, Amtrak provides the only nationwide passenger rail service available and carries more than 20 million passengers per year; and

"Whereas, Amtrak has realized substantial improvements in its revenue-to-cost ratio in recent years, exceeding congressionally set goals; and

"Whereas, subsidies for other transportation systems far exceed current subsidies provided Amtrak; and

"Whereas, Amtrak provides jobs and other economic benefits, and shutting down the passenger service would result in extreme economic loss and waste; Now, therefore, be it

Resolved by the Senate of the State of North Dakota, the House of Representatives Concurring therein:

"That Congress is urged to take appropriate steps to ensure continued and improved Amtrak service on those routes in operation within the current basic system; and

Be it further resolved, That copies of this resolution be forwarded by the Secretary of State to the president of AMTRAK, the Secretary of the United States Department of Transportation, the Secretary of the United States Senate, the Chief Clerk of the United State House of Representatives, and to each member of the North Dakota Congressional Delegation."

POM-167. A resolution adopted by the City Council of Arden Hills, Minnesota requesting Congress to continue their efforts to halt the persecution of the Bahai minority in Iran; to the Committee on Foreign Relations.

POM-168. A resolution adopted by the Senate of the State of New Mexico; to the Select Committee on Indian Affairs.

"SENATE MEMORIAL 24

"Whereas, the United States government has a legal and moral responsibility to ensure that the Indian elderly in this country are entitled to all benefits and services available, and that these services and benefits should be provided in a manner that preserves and restores their dignity, self respect and cultural identity; and

"Whereas, the Indian elderly (those aged sixty or over according to the 1980 United States bureau of the census) of this country are:

"A. increasing in population from sixty-four thousand in 1970 to one hundred nine thousand in 1980 with projections of an increase to two hundred thousand by 1990;

"B. unemployed at a rate exceeding eighty percent;

"C. living in poverty at a rate of seventy percent;

"D. living ten years less than the general population in terms of life expectancy;

"E. impacted by the lack of Indian nursing homes and Indian area agencies on aging;

"F. living in substandard and overcrowded housing;

"G. receiving less than adequate health care, and

"H. excluded from benefiting from Social Security which affects an estimated fifty-seven percent of the nation's Indian elderly population; Now, therefore, be it

Resolved, by the Senate of the State of New Mexico, That it respectfully requests the Congress and the President of the United States to ensure that the following policy directives be implemented in order to meet the physical and mental health needs of the Indian elderly, their spirtual well-being, their continued involvement and roles within society:

"A. economic security;

"B. long-term health care;

"C. readily available health services and facilities;

"D. social well-being to receive supportive services which will enable the Indian elderly to remain in their own homes and communities, thus maintaining their culture, dignity and independence; and

"E. spiritual well-being to ensure that the Indian elderly continue to exercise their inherent right to believe and practice their native religion which enables them to live in harmony with their creator; and

Be it further resolved, That copies of this memorial be sent to the President of the United States, the President Pro Tempore of the United States Senate, the Speaker of the United States House of Representatives and to each member of the New Mexico congressional delegation."

POM-169. A concurrent resolution adopted by the Legislative Assembly of the State of North Dakota; to the Select Committee on Indian Affairs.

"SENATE CONCURRENT RESOLUTION No. 4044

"Whereas, the establishment and governance of the several Indian reservations within the state of North Dakota and other states have resulted from treaties and other Acts of the United States government; and

"Whereas, the federal government through Acts of Congress, has established itself as the sole authority governing local taxation within the boundaries of Indian reservations in the United States, and has tied the hands of states in dealing with local taxing problems and furnishing of governmental services in areas within or near the boundaries of Indian reservations; and

"Whereas, reservation boundaries have been subject to change over the years since reservations were established, some lands within reservation boundaries are owned in trust and some in fee by Indian and non-Indian landowners, and non-Indian landowners were encouraged by the federal government to homestead lands which are now within reservation boundaries; and

"Whereas, all of these factors have resulted in areas of taxable lands in and around reservations which have necessitated the furnishing of local governmental services and the subsequent creation of local taxing districts supported by levies of taxes upon lands in and around reservations; and

"Whereas, the taxable status of lands within reservation boundaries is determined by ownership, which is subject to change, and which may cause removal of the land from local tax rolls by operation of federal law; and

"Whereas, removal of such lands from local tax rolls operates a hardship on cities, counties, townships, and other taxing districts, as well as on Indian and non-Indian landowners and residents in and around reservations who have come to rely on present levels of local governmental services and to require increased levels of future local governmental services; and

"Whereas, since Congress has chosen to retain exclusive control of the ability to tax reservation lands, it is incumbent upon Congress to provide solutions to the dilemma of political subdivisions in and around reservations in the many states of the United States which contain Indian reservations; Now, therefore, be it

"Resolved by the Senate of the State of North Dakota, the House of Representatives concurring therein:

"That the Congress of the United States is urged to enact legislation to resolve the problem of shrinking tax bases of political subdivisions providing local governmental services in and around Indian reservations to assure continued availability of local governmental services and the existence of local political subdivisions, or, in the alternative, to establish a study commission, with appropriate representation from affected states and Indian reservations, to determine an appropriate solution to this problem; and

"Be it further resolved, That copies of this resolution be forwarded by the Secretary of the Senate to the presiding officers of the United States House of Representatives and the United States Senate, the North Dakota Congressional Delegation, the Secretary of the Interior, and the governors and legislative bodies of the states of Arizona, California, Idaho, Minnesota, Montana, New Mexico, Oregon, South Dakota, Washington, Wisconsin, and Wyoming."

POM-170. A concurrent resolution adopted by the House of Representatives of the State of Indiana; to the Committee on Agriculture, Nutrition, and Forestry.

"HOUSE CONCURRENT RESOLUTION No. 44

"Whereas, The State of Indiana, one of the major agricultural states in the United States, is suffering from a financial crisis in agriculture that affects the entire economic health of this state, as well as the economic health of the midwestern and national economies; and

"Whereas, This financial crisis affects agricultural producers and has grown to include the business communities, which together form the core of the midwestern economy; and

"Whereas, The factors which created this crisis are beyond the capacity of individuals to manage or control, including sustained high interest rates, declining land values which have eroded farm equity, commodity prices below the cost of production, and successive years of weather-related problems; and

"Whereas, The value of Indiana's agricultural land plunged during 1984 with a twenty percent drop in the value of agricultural land in twelve months, the largest single year decrease in price since the depression of the 1930's; and

"Whereas, The value of assets lost in this financial crisis has already negatively affected the machinery market and has forced many farm implement dealers and related agricultural service businesses into bankruptcy; and

"Whereas, The average United States net farm income dropped to $6,793 which represents an income $3,407 below the federal poverty level for a family of four; and

"Whereas, Experts expect this crisis to broaden during the immediate weeks prior to the spring 1985 planting season, thus endangering the financial health of farmers, state and federally chartered lending institutions, rural small businesses, and agricultural manufacturers: Therefore,

"Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:

"SECTION 1. That the Congress of the United States be requested to immediately hold local and statewide hearings involving the United States Department of Agriculture and federal credit officials to examine the current crisis and to determine the immediate actions necessary to alleviate this crisis, and Congress is further requested to use the 1985 Federal Farm Bill to restructure the financial burden currently facing agricultural producers and businesses.

"SECTION 2. That the Principal Clerk of the Indiana House of Representatives is hereby requested to send copies of this Resolution to the President of the United States, the Speaker and Clerk of the United States House of Representatives, the President and Secretary of the United States Senate, the Chairperson of the Senate and House of Representatives Agriculture Committees, the Secretary of the United States Department of Agriculture and each member of the Indiana Congressional Delegation."

POM-171. Joint resolution adopted by the Legislature of the State of Montana; to the Committee on the Budget.

"SENATE JOINT RESOLUTION No. 15

"Whereas, the Office of Management and Budget has projected a federal deficit of $210 billion in fiscal year 1985; and

"Whereas, the Office of Management and Budget has forecast a long-term federal budget deficit of $229 billion by fiscal year 1989; and

"Whereas, the Congressional Budget Office has projected a federal budget deficit of $263 billion by fiscal year 1989; and

"Whereas, in November 1983, the debt ceiling was raised by $101 billion to $1.490 trillion in order to allow the Department of the Treasury to increase its legal borrowing capacity to pay the expenses for programs previously written into law; and

"Whereas, in May 1984, the debt ceiling was increased another $30 billion to $1.520 trillion; and

"Whereas, in June 1984, the debt ceiling was raised again, this time by $53 billion, with the debt ceiling set at $1.573 trillion; and

"Whereas, the interest payments on the public debt represented 13 cents per dollar of federal budget outlays in fiscal year 1984; and

"Whereas, the net interest owed on the public debt is estimated at $109.5 billion in 1984—the equivalent of $300 million a day—and at $130.9 billion in 1985; and

"Whereas, for fiscal year 1989, the Office of Management and Budget forecasts net interest costs of the public debt at $153.1 billion, and the Congressional Budget Office projects net interest costs of the debt at $214 billion, which figures respectively represent $419 million and $586 million owed for each day of the year in interest alone; and

"Whereas, in the past 5 years, the gross federal debt has almost doubled and is ex-

pected to total $1.807 trillion by the end of fiscal year 1975: Now, therefore, be it

"Resolved by the Senate and the House of Representatives of the State of Montana:

"(1) that the Legislature call upon the President of the United States to immediately submit to the United States Congress a balanced federal budget.

"(2) That the United States Congress adopt a balanced budget for the ensuing federal fiscal year.

"(3) that the Secretary of State send a copy of this resolution to the President of the United States, the Speaker and Clerk of the United States House of Representatives, the President and Secretary of the United States Senate, and to each member of the Montana Congressional delegation.

POM-172. Joint resolution adopted by the Legislature of the State of Montana; to the Committee on Foreign Relations.

"SENATE JOINT RESOLUTION No. 23

"Whereas, our nation has been immeasurably strengthened by the contributions of enthic and religious groups from around the world, including Catholics and Protestants from Northern Ireland; and

"Whereas, our country's strong traditional ties of friendship and a shared heritage with the Republic of Ireland and Great Britain have contributed to the well-being of all three nations; and

"Whereas, the people of Ireland continue to suffer from political and civil strife that rends the fabric of human society; and

"Whereas, we take no side in the Irish dispute, but deplore all violence from whatever source; and

"Whereas, the United States, in the spirit of peace and humanity, has interceded in other areas and lands torn by civil strife to bring about a lasting resolution of the problem and lay to rest the specter of religious bitterness; and

"Whereas, the United States can and should take a constructive part in bringing about a peaceful solution to the problems that divide Ireland. Now, therefore, be it

"Resolved by the Senate and the House of Representatives of the State of Montana: That the United States is able to, and in fact should, take the lead in formulating and effecting a peaceful and just resolution to these problems because the United States has benefited so greatly during the past 150 years from its relationships with both Ireland and Great Britain.

"Be it further resolved, That Congress is urged to pass legislation calling for the President to appoint a Special Envoy to be dispatched to Ireland for the purpose of participating in and bringing about a resolution to the centuries-old problems in Ireland and specifically since 1921 in Northern Ireland.

"Be it further resolved, That the President, accordingly, is urged to appoint the Special Envoy without delay upon receipt of the congressional action.

"Be it further resolved, That copies of this resolution be sent by the Secretary of State to the President of the United States, the Speaker and Chief Clerk of the U.S. House of Representatives, the President and Secretary of the U.S. Senate, the Irish and British ambassadors to the United States, the members of the Montana Congressional Delegation, and Congressman Mario Biaggi, chairman of the ad hoc Congressional Committee for Irish Affairs."

POM-173. A concurrent resolution adopted by the Legislative Assembly of the State of North Dakota; to the Committee on Small Business.

"SENATE CONCURRENT RESOLUTION No. 4073

"Whereas, the Small Business Administration has a proven record of service to small business in the state of North Dakota and throughout the United States; and

"Whereas, the current Small Business Administration's North Dakota portfolio includes more than 2,200 North Dakota small businesses with loans totaling over $150 million; and

"Whereas, for many years the Small Business Administration has carried out disaster and loan assistance of tremendous value to North Dakota small businesses during difficult times; and

"Whereas, 140 North Dakota banks are affiliated as correspondent banks with the Small Business Administration; and

"Whereas, thousands of North Dakotans have utilized the Small Business Administration as a source of last resort for borrowed capital; and

"Whereas, the Small Business Administration has been an important source of borrowed capital with proven success in helping North Dakota small business; and

"Whereas, the administration proposes to eliminate the Small Business Administration entirely in fiscal year 1986 without an alternative program to assist small businesses; now, therefore, be it

"Resolved by the Senate of the State of North Dakota, the House of Representatives concurring therein: That the Forty-ninth Legislative Assembly urges the President of the United States and the Congress of the United States to support continuation of the Small Business Administration; and

"Be it further resolved, That the Secretary of the Senate send enrolled copies of this resolution to the President of the United States, the presiding officers of the United States House of Representatives and United States Senate, and each member of the North Dakota Congressional Delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROTH, from the Committee on Governmental Affairs:

Special Report on the Activities of the Committee on Governmental Affairs and its Subcommittees During the Ninety-eighth Congress (Rept. No. 99-35).

By Mr. HATCH, from the Committee on Labor and Human Resources, with an amendment:

S. 484. A bill to amend the Saccharin Study and Labeling Act (with additional views) (Rept. No. 98-36).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SARBANES:

S. 961. A bill to authorize the Alpha Phi Alpha Fraternity to establish a memorial to Martin Luther King, Jr., in the District of Columbia; to the Committee on Rules and Administration.

By Mr. COHEN (for himself and Mr. CRANSTON):

S. 962. A bill to amend chapter 30 of title 38, United States Code, to provide for educational assistance for apprenticeship or other on job training under the All-Volunteer Force Educational Assistance Program.

By Mrs. HAWKINS:

S. 963. A bill to provide for the issuance of newly designed one hundred dollar bills; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. D'AMATO:

S. 964. A bill to amend title 38, United States Code, to eliminate the provision establishing the 10-year deliminating period for educational assistance under the Veterans' Educational Assistance program and to eliminate related provisions; to the Committee on Veterans' Affairs.

S. 965. A bill to amend title 38, United States Code, to remove an inequity in the Veterans' Administration program to provide assistance to certain disabled veterans in acquiring specially adapted residences; to the Committee on Veterans' Affairs.

S. 966. A bill to amend title 38, United States Code, to provide mortgage protection life insurance to certain veterans unable to acquire commercial life insurance because of service-connected disabilities; to the Committee on Veterans' Affairs.

By Mr. STAFFORD (by request):

S. 967. A bill to authorize the improvement of and funding for the inland and intracoastal waterways of the United States, and for other purposes; to the Committee on Environment and Public Works.

By Mr. STAFFORD:

S. 968. A bill to amend the Water Supply Act of 1958 to secure more timely repayment of Federal investments in multipurpose water resources development projects, to encourage more prudent participation in such projects by non-Federal interests, and for other purposes; to the Committee on Environment and Public Works.

By Mr. HELMS (by request):

S. 969. A bill to amend and extend the authorization of the Food Stamp Act of 1977, as amended; to the Committee on Agriculture, Nutrition, and Forestry.

By Mrs. KASSEBAUM:

S. 970. A bill to require that fifty-dollar bills bear a portrait of Georgia Neese Clark Gray, the first woman to serve as Treasurer of the United States; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BOSCHWITZ:

S. 971. A bill for the relief of Hreinn Pio Fransisco Lindal; to the Committee on the Judiciary.

By Mr. STAFFORD (by request):

S. 972. A bill to provide revenues for the Comprehensive Environmental Response, Compensation and Liability Act of 1980; to the Committee on Finance.

By Mr. BENTSEN (for himself, Mr. DANFORTH, Mr. MATSUNAGA, Mr. PRYOR, Mr. BAUCUS, Mr. CHILES, Mr. GORE, and Mr. MELCHER):

S. 973. A bill to amend the Internal Revenue Code of 1954 to provide for an alternative corporate minimum tax in lieu of the present additional corporate minimum tax, to provide a method of reducing corporate tax rates by the amount of such tax, and for other purposes; to the Committee on Finance.

By Mr. LEVIN:

S.J. Res. 117. Joint resolution designating the week beginning September 22, 1985, as "National Adult Day Care Center Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BENTSEN (for himself, Mr. COHEN, and Mrs. KASSEBAUM):

S. Res. 140. Resolution urging the President to impose a trade boycott and embargo against Nicaragua; to the Committee on Finance.

By Mr. McCLURE:

S. Con. Res. 43. Concurrent resolution expressing the sense of the Congress that the English language is the official language of the United States; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SARBANES:

S. 961. A bill to authorize the Alpha Phi Alpha fraternity to establish a memorial to Martin Luther King, Jr., in the District of Columbia; to the Committee on Rules and Administration.

MARTIN LUTHER KING, JR., MEMORIAL IN THE DISTRICT OF COLUMBIA

● Mr. SARBANES. Mr. President, on January 20, 1986, the United States, for the first time, will celebrate a national holiday to commemorate the birthday of Dr. Martin Luther King, Jr. This event will mark the culmination of an 18-year effort to give appropriate recognition to Dr. King as one of our Nation's great leaders, a giant figure in the evolving history of the United States.

In conjunction with the 1986 celebration, Alpha Phi Alpha, Inc., the oldest black fraternity in the United States, is undertaking to establish a Martin Luther King Memorial in the District of Columbia. Today, I am introducing legislation to authorize Alpha Phi Alpha to establish the monument on Federal land in the District of Columbia. The bill further provides that the monument shall be established at no cost to the United States.

The Alpha Phi Alpha fraternity, of which Dr. King was a member, having joined on June 22, 1952, at Sigma Chapter in Boston, MA, will coordinate the design and funding of the monument. The Department of the Interior, in consultation with the National Capital Park and Planning Commission and the Commission on Fine Arts, shall select the site and approve the design.

Alpha Phi Alpha was founded in 1906 at Cornell University. It now has 700 chapters across the country, and counts among its 75,000 members many prominent citizens, including Supreme Court Justice Thurgood Marshall and a number of our Nation's mayors. At its 1984 convention this past August in Cleveland, Alpha Phi Alpha formally endorsed the Martin Luther King, Jr., Memorial project and committed its considerable human resources to its development. Alphas will be launching the major Martin Luther King Memorial fundraising drive at the 1985 convention this summer in Atlanta. Alpha Phi Alpha's 1986 convention will be held in Washington, DC, at which time the memorial will be the focus of the program.

Twenty years ago, Dr. Martin Luther King, Jr., led 20,000 freedom marchers from Selma to Montgomery, seeking voting rights long denied. Through the long efforts to achieve equal treatment for all Americans, Martin Luther King, Jr., remained devoted to nonviolent means of achieving his goals; and he inspired thousands to conform to the principles of nonviolence.

A memorial to Dr. King erected in the Nation's Capital will provide continuing inspiration to all who visit it, particularly to the thousands of students and young people who come to Washington, DC, every year. These young people have no personal memory of the condition of civil rights in America before Dr. King, nor of the struggle in which he was the major figure. They do understand, however, that there is still more to be done.

Coretta Scott King said:

> Young people in particular need nonviolent role models like him. In many ways, the Civil Rights movement was a youth movement. Young people of all races, many of whom were jailed, were involved in the struggle, and some gave their lives for the cause. Yet none of the youth trained by Martin and his associates retaliated in violence, including members of some of the toughest gangs of urban ghettos in cities like Chicago and Birmingham. This was a remarkable achievement. It had never been done before; it has not been duplicated since.

Mr. President, what we hope is that the young people who visit the monument will come to understand that it recognizes not only the enormous contribution of this great leader, but also two very basic principles for the healthy functioning of our society. One is that change, even very fundamental change, is to be achieved through nonviolent means; that this is the path down which we should go as a nation in resolving some of our most difficult problems. And the other basic principle is that the reconciliation of the races, the inclusion into the mainstream of American life of all its people, is essential to the fundamental health of this Nation. Dr. King preached, taught, and practiced these essential principles.

I urge my colleagues to support this legislation. Congressman WALTER FAUNTROY has introduced a similar bill in the House of Representatives. I am hopeful that we can enact this legislation quickly so that planning for the monument can proceed.●

By Mr. COHEN (for himself and Mr. CRANSTON):

S. 962. A bill to amend chapter 30 of title 38, United States Code, to provide for educational assistance for apprenticeship or other on-the-job training under the All-Volunteer Force Educational Assistance Program; to the Committee on Veterans' Affairs.

APPRENTICESHIP AND ON-THE-JOB TRAINING ASSISTANCE FOR VETERANS

● Mr. COHEN. Mr. President, I am today, along with Senator ALAN CRANSTON, introducing a bill which will, I believe, fill an obvious and unintended gap in the provisions of the Veterans' Educational Assistance Act of 1984 and at the same time make a real contribution to national economic growth. The legislation which I am offering would amend chapter 30, title 38 of the VEAA to include the provision of educational assistance for apprenticeship and other on-the-job training.

Historically, significant numbers of our Nation's tradesmen have learned their skills through apprenticeship and on-the-job training. These programs were available to veterans of World War II, the Korean conflict, and the Vietnam era.

Through September 1982, more than 5½ million Vietnam-era veterans had participated in a program of education and training. Of these, 5.6 percent, or approximately 1 out of 18 participants, used their veterans benefits to learn a trade through an apprenticeship or other on-the-job training program. In my own State, veterans participated in apprenticeship or on-the-job training comprised 10.4 percent—almost twice the national average—of nearly 30,000 who participated in an education or training program.

Apprenticeship and other on-the-job programs provide an educational opportunity for those veterans who do not have the aptitude or inclination to continue their training through educational institutions due to family, financial, or other considerations. In addition, veterans in these programs are employed and paying taxes from the beginning of their training, and they have a reasonable assurance of productive, full-time employment at the conclusion of training.

Additional factors for consideration involve cost and the capability of existing educational institutions to provide some of the specialized training available only through the private industrial sector. As we move into a period of very sophisticated and costly equipment and other instructional materials, it becomes both increasingly expensive and unnecessarily duplicative for schools to have to purchase such training materials when they are already available elsewhere. The training and development of an appropriately skilled work force is an essential component of modern economic growth.

In 1979, the Office of the Controller, Veterans' Administration, reported the results of a national survey of veterans conducted by the Bureau of the Census. The survey covered three GI bill periods—World War II, the Korean conflict, and the post-Korean conflict, which also included the peacetime post-Korean and Vietnam era. The results further substantiate and quantify the value of apprenticeship and on-the-job training to date. Veterans who participated in such alternative programs had a higher program completion rate—75 percent—than those veterans who used their educational benefits for college training—approximately 64 percent.

Many would also argue that the most important measure of a training program's effectiveness is its utility in acquiring and performing a job. Survey results show that 72 percent of the veterans completing an apprenticeship program and 80 percent of those completing an on-the-job program made use of the training received in their first jobs. This compares with 56.5 percent of the veterans who received college level training and 50.9 percent of those attending other types of schools.

What all these statistics so graphically demonstrate is that apprenticeship and on-the-job training make good sense—good economic sense and good social sense. I urge my colleagues to support this measure's speedy passage.

Mr. President, I ask unanimous consent that the text of this proposal be printed in the RECORD.

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

S. 962

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1402 of title 38, United States Code, is amended—

(1) by amending paragraph (3) to read as follows:

"(3) The term 'program of education' (A) has the meaning given such term in section 1652(b) of this title, and (B) includes a full-time program of apprenticeship or of other on-job training approved as provided in clause (1) or (2), as appropriate, of section 1787(a) of this title."; and

(2) by adding at the end the following new paragraph:

"(7) The term 'training establishment' has the meaning given such term in section 1652(e) of this title.".

(b)(1) Section 1432 of such title is amended by adding at the end the following new subsection:

"(c) In any month in which an individual pursuing a program of education consisting of a program of apprenticeship or other on-job training fails to complete one hundred and twenty hours of training, the amount of the monthly educational assistance allowance payable under this chapter to the individual shall be limited to the same proportion of the applicable full-time rate as the number of hours worked during such month, rounded to the nearest eight hours, bears to one hunderd and twenty hours.".

(2) The heading of such section is amended to read as follows:

"§ 1432. Limitations on educational assistance for certain individuals".

(3) The item relating to such section in the table of sections at the beginning of chapter 30 is amended to read as follows:

"1432. Limitations on educational assistance for certain individuals.".

(c) Section 1434 of such title is amended—

(1) in the first sentence of subsection (a), by striking out "1780(c),"; and

(2) in subsection (b)(2), by inserting "or training establishment, as the case may be," after "educational institution".●

By Mrs. HAWKINS:

S. 963. A bill to provide for the issuance of newly designed one hundred dollar bills; to the Committee on Banking, Housing, and Urban Affairs.

MONEY LAUNDERING PREVENTION ACT

● Mrs. HAWKINS. Mr. President, it is now widely recognized that the problem of drug abuse is one of the most serious in our Nation.

What is not so widely acknowledged is how the practice of money laundering facilitates the operations of narcotics traffickers. Numerous efforts have been made by both the executive and legislative branches of government to control the actions of financial institutions and personnel involved, but these activities continue on a grand scale. Latest estimates are that billions of dollars annually are laundered through American financial institutions, allowing drug traffickers to market massive amounts of drugs in our Nation.

A fallout of this research is the determination that the note of currency used most often in these operations is the $100 bill. It is only logical that by denying use of this monetary denomination to money launderers would cripple them, albeit temporarily, but shutting down their operations for any time at all would be of benefit to all Americans.

Specifically, this legislation would declare all currency in the denomination of $100 obsolete and not legal tender upon the expiration of 3 months after the date of enactment of the bill. Prior to the issuance of this order, the Secretary of the Treasury shall issue newly designed currency in this denomination. This legislation is known as the "Money Laundering Prevention Act of 1985."

American citizens would be given a full 3 months in which to redeem their $100 bills for the newly designed currency. The massive amounts of cash needed in successful laundering operations would not be able to be exchanged in the process called for in my bill, and money launderers would therefore be prevented from taking advantage of this provision in the legislation.

Mr. President, as we fight the battle against drug abuse, we must use every weapon at our disposal. This includes taking the cash out of the hands of money-launderers, and preventing them from being able to wash clean their blood money.

I feel very strongly that this measure would prove instrumental in stopping the operations of money launderers, and I urge my colleagues to support this unprecedented measure.●

By Mr. D'AMATO:

S. 964. A bill to amend title 38, United States Code, to eliminate the provision establishing the 10-year delimiting period for educational assistance under the Veterans' Educational Assistance Program and to eliminate related provisions; to the Committee on Veterans' Affairs.

TO REPEAL THE 10-YEAR DELIMITING PERIOD FOR EDUCATIONAL ASSISTANCE

● Mr. D'AMATO. Mr. President, I rise today to introduce legislation to amend title 38 of the United States Code by repealing the 10-year delimiting period for educational assistance under the Veterans' Educational Assistance Program.

In the past, the main purpose of the GI bill has been to assist the Nation's veterans in readjusting to civilian life after military service. These programs were highly effective and were responsible for educating countless Americans who would not have had such opportunities without those benefits.

Last year, Congress enacted a new GI education program for the men and women who serve in the military. By passing this legislation we continued to demonstrate our gratitude to these men and women, and we recognized the value that educational opportunity brings both to individuals and to our society at large.

Regrettably, as we look back at the benefits provided to our Vietnam-era veterans, we find that many are losing this educational opportunity when they need it most. While the program is not scheduled to expire until 1989, the 10-year limitation period within which benefits must be used by each veteran will prevent many from utilizing this assistance. Of the nearly one-half million veterans who live in the State of New York, roughly one-third have not used their educational assistance yet. The 10-year limitation period will affect roughly this same percentage of veterans nationwide.

I urge my colleagues to give this legislation their full support to ensure that our Vietnam-era veterans are not denied the full educational opportunities they have earned.

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

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

S. 964

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1662 of title 38, United States Code, is amended—

(1) by striking out subsections (a), (b), (c), and (d); and

(2) by striking out "(e)" in subsection (e).

(b)(1) The section heading of such section is amended to read as follows:

"§ 1662. Time limitation for completing a program of education".

(2) The table of sections at the beginning of chapter 34 of such title is amended by striking out the item relating to section 1662 and inserting in lieu thereof the following:

"1662. Time limitation for completing a program of education.".●

By Mr. D'AMATO:

S. 965. A bill to amend title 38, United States Code, to remove an inequity in the Veterans' Administration program to provide assistance to certain disabled veterans in acquiring specially adapted residences; to the Committee on Veterans' Affairs.

SPECIALLY ADAPTED HOUSING GRANT PROGRAM

● Mr. D'AMATO. Mr. President, I rise today to introduce legislation to amend title 38 of the United States Code by removing an inequity in the Veterans' Administration [VA] program responsible for assisting certain veterans in obtaining specially adapted housing.

The VA's Specially Adapted Housing Grant Program establishes two separate grant programs for blinded veterans. The larger grant program provides $35,000 for blinded veterans to purchase a specially adapted house, or to make necessary renovations in a home already owned. To be eligible for this grant, a veteran must be totally blind, with no more light perception, in both eyes, and must have lost, or lost the use of, a lower extremity.

The smaller housing grant program provides $6,000 for blinded veterans, without additional handicaps, to make the necessary renovations in a house already owned by the veteran. This grant, however, cannot be applied toward the purchase of a specially adapted house. To be eligible for this grant, a veteran must be blind, that is, he or she must have a 5/200 visual acuity or worse.

The legislation I am introducing today will permit those veterans eligible for the smaller housing grant to use the $6,000 to purchase a home which already has the necessary adaptions. This measure, however, would not affect the eligibility requirements for the grant in any way: no new eligible beneficiaries would be created.

I urge my colleagues to give their full support to this legislation which will remove a blatant inequity in the VA's Specially Adapted Housing Grant Program.

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

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

S. 965

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 801(b)(1) of title 38, United States Code, is amended by inserting before the period at the end thereof the following: "or in acquiring a residence already adapted with special features determine by the Administrator to be reasonably necessary for the veteran by reason of the veteran's disability".

(b) The amendment made by subsection (a) shall apply with respect to residences acquired after September 30, 1985.●

By Mr. D'AMATO:

S. 966. A bill to amend title 38, United States Code, to provide mortgage protection life insurance to certain veterans unable to acquire commercial life insurance because of service-connected disabilities; to the Committee on Veterans' Affairs.

MORTGAGE PROTECTION LIFE INSURANCE FOR CERTAIN DISABLED VETERANS

● Mr. D'AMATO. Mr. President, I rise today to introduce legislation to expand the Veterans' Administration [VA] Mortgage Protection Life Insurance Program. Since 1971, the VA has provided mortgage protection to service-connected disabled veterans who obtain VA grants for specially adapted housing. This insurance is made available to these veterans through the VA because their service-connected disabilities have prevented them from acquiring mortgage protection from commercial sources.

However, some of our Nation's most severely disabled veterans have been excluded from this program. The legislation I am introducing today amends title 38 of the United States Code by providing mortgage protection life insurance to those veterans evaluated at 80 percent or more disabled who are unable to acquire commercial life insurance because of service-connected disabilities.

Only a small percentage of the 182,000 veterans this expanded program will cover are now able to obtain commercial mortgage protection life insurance. Nearly 8 percent of them live in the State of New York.

These veterans have suffered the most severe personal losses in service to this country. Quite often, the nature and extent of their disabilities have prevented them from accumulating the savings necessary to ensure financial security for themselves and their families.

I urge my colleagues to give this legislation their full support so that we can make available to our most severely disabled veterans the security of mortgage insurance to which they are entitled, but which they are so unfortunately denied, in the commercial market.

Mr. President, I ask unanimous consent that my bill be printed in the RECORD.

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

S. 966

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER V—MORTGAGE PROTECTION LIFE INSURANCE FOR CERTAIN DISABLED VETERANS

"§ 791. Purchase of insurance

"(a) The Administrator may purchase from one or more life insurance companies a policy or policies of mortgage protection life insurance on a group basis to provide the benefits specified in this section.

"(b) A veteran (other than a veteran eligible for insurance under section 8.6 of this title) who establishes to the satisfaction of the Administrator that the veteran is unable to obtain commercial life insurance because of a service-connected disability rated at 80 percent or more shall, upon application made in such form as the Administrator shall prescribe, be granted insurance under this section.

"(c) The Administrator may purchase insurance under this section without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), but the authority of the Administrator to purchase insurance under this section is effective for any fiscal year only to such extent or in such amount as are provided in appropriation Acts.

"§ 792. Amount of insurance

"The initial amount of insurance provided under this subchapter may not exceed the lowest of the following amounts:

"(1) $40,000.

"(2) The amount of the loan outstanding on a dwelling (and necessary land therefor) owned or occupied by the veteran as a home on the date insurance under this subchapter is placed in effect.

"(3) In the case of a veteran who purchases or constructs a dwelling (including necessary land therefor) to be occupied by the veteran as a home on or after the effective date of this section the amount of the original loan.

The amount of such insurance shall be reduced according to the amortization schedlue of the loan and at no time may exceed the amount of the outstanding loan with interest.

"§ 793. Premium rates

"(a) The premium rates charged a veteran for insurance under this subchapter shall be paid at such times and in such manner as the Administrator shall prescribe and shall be based on such mortality data as the Administrator considers appropriate to cover only the mortality cost of insuring veterans with service-connected disabilities rated at 80 percent or more who are unable to obtain commercial mortgage protection life insurance.

"(b) The Administrator shall deduct the premiums charged a veteran for life insurance under this subchapter from any compensation or other cash benefits payable to the veteran by the Veterans' Administration

and shall pay such premiums to the insurer or insurers for such insurance. A veteran insured under this subchapter who is not eligible for cash benefits from the Veterans' Administration may pay the amount of the premiums directly to the insurer or insurers for insurance under this subchapter.

"§ 794. Payment of insurance

"An amount of insurance in force under this subchapter on the date of death of a veteran insured under this subchapter shall be paid only to the holder of the mortgage loan, the payment of which the insurance was granted, for credit on the loan indebtedness. The liability of the insurer under such insurance shall be satisfied when such payment is made. If the Administrator is the holder of the mortgage loan, the insurance proceeds shall be credited to the loan indebtedness and shall be deposited (as appropriate) in the direct loan or loan guaranty revolving fund established by section 1823 or 1824 of this title, respectively.

"§ 795. Insurance policy provisions

"(a)(1) Each policy purchased under section 791 of this title shall provide, in terms approved by the Administrator, for the provisions required by this subsection.

"(2) Each such policy shall provide for reinsurance, to the extent and in a manner to be determined by the Administrator to be in the best interest of the veterans or the Government, with other insurers which meet qualifying criteria established by the Administrator as may elect to participate in such reinsurance.

"(3) Each such policy shall provide that at any time the Administrator determines such action to be in the best interest of veterans or the Government, the Administrator (A) may discontinue the entire policy, or (B) may exclude from coverage under such policy loans made after a date fixed by the Administrator for such purpose. Any insurance previously issued to a veteran under such policy may not be canceled by the insurer solely because of termination of the policy by the Administrator with respect to new loans. If the policy is wholly discontinued, the Administrator shall have the right to require the transfer (to the extent and in a manner to be determined by the Administrator), to any new company or companies with which the Administrator has negotiated a new policy or policies, the amounts (as determined by the existing insurer or insurers with the concurrence of the Administrator) of any policy or contingency reserves with respect to insurance previously in force.

"(4) Each such policy shall provide for issuance to each veteran insured under this subchapter of a uniform type of certificate setting forth the benefits to which the veteran is entitled under the insurance.

"(5) Each such policy shall provide for any other provision which is reasonably necessary or appropriate to carry out the provisions of this subchapter.

"(6) Each such policy shall provide for an accounting to the Administrator not later than 90 days after the end of each policy year. Each such accounting shall set forth (in a form approved by the Administrator) (A) the amount of premiums paid by veterans accrued under the contract or agreement from its date of issue to the end of such contract year, (B) the total of all mortality and other claim charges incurred for that period, and (C) the amount of the insurer's expense and risk charges, if any, for that period. If the amount under clause (A) is greater than the sum of the amounts under clauses (B) and (C), the amount of the difference shall be held by the insurer as a contingency reserve to be used by the insurer for charges under the contract or agreement only. The contingency reserve shall bear interest at a rate to be determined in advance of each contract year by the insurer. That rate shall be approved by the Administrator if consistent with the rates generally used by the insurer for similar funds held under other plans of group life insurance. If and when the Administrator determines that such contingency reserve has attained an amount estimated by him to make satisfactory provision for adverse fluctuations in future charges under the contract, the Administrator shall require the insurer to adjust the premium rates and contributions so as to prevent any further substantial accretions to the contingency reserve. If and when the contract or agreement is discontinued and if after all charges have been made there is any positive balance remaining in the contingency reserve, such balance shall be paid to the Administrator and shall be credited to the appropriation "Compensation and Pensions, Veterans' Administration," subject to the right of the insurer to make such payment in equal monthly installments over a period of not more than two years.

"(b) With respect to insurance contracted for under this subchapter, the Administrator may adopt such regulations relating to eligibility of veterans for insurance, maximum amount of insurance, maximum duration of insurance, and other factors not specifically provided for in this subchapter as in the Administrator's judgment are in the best interest of veterans or the Government. Insurance contracted for under this subchapter shall take effect as to any veteran on a date determined by the Administrator. The amount of the insurance at any time shall be the amount necessary to pay the mortgage indebtedness in full, except as otherwise limited by the policy.

"(c) Insurance contracted for under this subchapter shall terminate upon whichever of the following first occurs:

"(1) Satisfaction of the veteran's indebtedness under the loan upon which the insurance is based.

"(2) Termination of the veteran's ownership of the property securing the loan.

"(3) Discontinuance of payment of premiums by the veteran.

"(4) Discontinuance of the entire contract or agreement.

"(d) Termination of mortgage protection life insurance under this subchapter shall not affect the guaranty or insurance of the loan by the Administrator.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

"SUBCHAPTER V—MORTGAGE PROTECTION LIFE INSURANCE FOR CERTAIN DISABLED VETERANS

"Sec.
"791. Purchase of insurance.
"792. Amount of insurance.
"793. Premium rates.
"794. Payment of insurance.
"795. Insurance policy provisions.".

SEC. 2. Subchapter V of chapter 19 of title 38, United States Code, as added by the first section of this Act, shall take effect on October 1, 1985.●

By Mr. STAFFORD (by request):

S. 967. A bill to authorize the improvement of and funding for the inland and intracoastal waterways of the United States, and for other purposes; to the Committee on Environment and Public Works.

INLAND WATERWAYS DEVELOPMENT ACT

● Mr. STAFFORD. Mr. President, earlier in this session, I was honored to introduce S. 534 on behalf of the administration. That legislation is a major omnibus water resources development bill.

Today, I am honored to introduce companion legislation, an administration bill to resolve the complicated and difficult issues involving the development of our inland navigation system, as well as the ongoing operations and maintenance of that system, and how this work is to be financed.

My colleagues know that this is a most controversial issue, one that has been a major factor in the failure of the Congress since 1976 to pass my omnibus water resources legislation.

The situation is this: We face a growing life of needed waterway improvements, while, at the same time, spending remains in decline.

The Federal Government lacks the money to do the work that must be done for commercial beneficiaries. The administration recognizes that non-Federal sources of funds must be brought into the program.

Specifically, the administration proposal would also levy on commercial traffic a uniform national ton-mile fee of 1.5 mills. This sum will contribute approximately 70 percent of the costs of operating and maintaining the 25,000-mile inland waterway system. Inland operators currently pay less than 10 percent of those costs, in the form of a fuel tax.

This measure also creates an Inland Waterway Users Board to advise the corps on expenditures and fees, and it authorizes three new inland waterway projects at a total cost of $550 million.

Mr. President, this has been a contentious issue in the past. The Committee on Finance has claimed an interest in this legislation. In order to assure the most reasonable approach, our committee has deferred informally for the time being to the Finance Committee to allow it the opportunity to develop a user charge package that would meet the needs of the administration, as well as the needs of the program: needs to bring in new funds as well as a mechanism based on costs to help set priorities.

I hope that this administration proposal will help us focus the debate, to help us get off dead center and move toward some sort of national compromise.

Mr. President, I ask unanimous consent that a copy of the bill, together with a copy of the transmittal letter and the section-by-section analysis prepared by the administration, be printed at this point in the RECORD.

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

S. 967

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 "Inland Waterways Development Act of 1985."

SEC. 2. DEFINITIONS.

For the purposes of this Act—

(1) "Corps" means the United States Army Corp of Engineers.

(2) "Secretary" means the Secretary of the Army.

(3) "Treasury" means the Treasury of the United States.

(4) "State" means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands of the United States, the Commonwealth of the Northern Marianas, the Trust Territory of the Pacific Islands, and any other territory or possession over which the United States exercises jurisdiction.

SEC. 3 AMENDMENTS TO THE INLAND WATERWAYS REVENUE ACT OF 1978.

(a) The Inland Waterways Revenue Act of 1978 (92 Stat. 1696) is amended by—

(1) amending section 203 by inserting the following before the period at the end of paragraph (b)(1): "and the amounts of the user fees deposited into the Treasury under section 4499 of the Internal Revenue Code of 1954 (relating to user fees on vessels in commercial waterway transportation on inland waterways)";

(2) amending section 204 to read as follows:

"SEC. 204. TRUST FUND AVAILABLE FOR EXPENDITURES FOR PROJECTS ON THE INLAND WATERWAYS.

Amounts which are credited to the Trust Fund pursuant to section 203 of this Act which are derived from the tax on fuel established pursuant to section 4042 of title 26, United States Code, shall be available, as provided by appropriation Acts, to the Secretary of the Army and the Tennessee Valley Authority to be expended for new construction of navigation features on the inland and intracoastal waterways of the United States described in section 206 of this Act. Amounts which are credited to the Trust Fund pursuant to section 203 of this Act which are derived from the user fee established pursuant to section 4499 of title 26, United States Code, are appropriated without fiscal year limitation to the Secretary of the Army to be expended for the operation, maintenance, and new construction of Federal navigation projects on the inland and intracoastal waterways and shall also be used to reimburse appropriations which bore all or part of the cost of collection of the user fee. The Secretary shall annually transfer to the Tennessee Valley Authority amounts available from the Trust Fund which are derived from the user fee established pursuant to section 4499 of title 26, United States Code, on the basis of the proportionate share of the total estimated costs of operation, maintenance, and new construction of the navigation features of Tennessee Valley Authority projects on the inland and intracoastal waterways, as determined by the Board of Directors of the Tennessee Valley Authority, to the total estimated costs of operation, maintenance, and new construction of the Federal navigation features on the inland and intracoastal waterways as determined by the Secretary of the Army. Amounts in the Trust Fund shall not be used for operation, maintenance, construction, rehabilitation, modification or post-authorization planning of any harbor or harbor components of the inland and intracoastal waterways. For purposes of this section, the term "new construction" means construction, rehabilitation, modification and post-authorization planning, of any project or separable element thereof for which Federal funds have not been obligated for physical construction before October 1, 1985.";

(3) amending section 206 to read as follows:

"SEC. 206. INLAND AND INTRACOASTAL WATERWAYS OF THE UNITED STATES.

For purposes of sections 4042 and 4499 of subtitle D of title 26, United States Code, and for purposes of section 204 and 205 of this Act, the following inland and intracoastal waterways of the United States are described in this section as follows:

"(1) the Mississippi River and its natural and manmade tributaries and connecting channels upstream from Baton Rouge, Louisiana;

"(2) all waterways of the United States and their tributaries with an authorized depth of fourteen feet or less emptying into the Gulf of Mexico west of the Mississippi River;

"(3) the Gulf Intercoastal Waterway from Saint Marks River, Florida, to Brownsville, Texas;

"(4) the Apalachicola River and its tributaries upstream from its junction with the Gulf Intracoastal Waterway;

"(5) the Columbia River and its tributaries upstream from a point immediately downstream of the Bonneville Lock and Dam project;

"(6) the Pearl River and its tributaries upstream from the junction of the West Pearl River with the Rigolets;

"(7) the Mobile River and its tributaries, including the Tennessee Tombigbee waterway project, upstream from the Mobile Harbor project;

"(8) the Atlantic Intracoastal Waterway between Norfolk, Virginia, and Miami, Florida, via both the Albermarle and Chesapeake Canal and Great Dismal Swamp Canal routes; and

"(9) the portions of the Willamette River and its tributaries with authorized depths of fourteen feet or less."; and,

(4) amending the table of contents accordingly.

(b) The amendments made by this section shall take effect upon the date of enactment of this Act; except that, paragraph (3) of subsection (a) shall take effect on October 1, 1985.

SEC 4. AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954.

(a) Chapter 36 of subtitle D of title 26 is amended by adding after subchapter F the following new subchapter:

"Subchapter G—User Fee on Commercial Use of Inland Waterways

"SEC. 4499. IMPOSITION OF USER FEE.

"(a) IN GENERAL.—There is hereby imposed a user fee on the use during any calendar quarter of a vessel in commercial waterway transportation. The user fee authorized pursuant to this section shall be collected as if it were a tax.

"(b) AMOUNT OF USER FEE.—The user fee imposed by subsection (a) shall be at the rate of .15 cents per ton-mile for each vessel used in commercial waterway transportation in any calendar quarter beginning on or after October 1, 1985.

"(c) PERSONS LIABLE FOR USER FEE.—(1) IN GENERAL.—Except as provided in subparagraph (2), the person who operates (or the person whose employees operate) a vessel for the purpose of commercial waterway transportation shall be the person liable to pay the user fee imposed by subsection (a).

"(2) EXEMPTIONS.—No user fees shall be collected under the authority of this title from—

"(A) vessels not engaged in commercial activity which are owned by, or under bareboat charter or time charter to, or for any purpose under the control or custody of the United States, or any of its officers, agents, employees or of any corporation wholly owned by the United States;

"(B) vessels not engaged in commercial activity which are owned by, or under bareboat charter or time charter to, or for any purpose under the control or custody of any other nation, or any of its officers, agents, employees, or of any corporation wholly owned by any other nation;

"(C) vessels used by a state, or political subdivision thereof, transporting persons or property in the business of the state of political subdivision; or

"(D) vessels engaged in dredging activities.

"(d) DEFINITIONS.—For purposes of this section, the terms "commercial waterway transportation", "inland and intracoastal waterways", and "person" shall have the same meaning as defined in section 4042 of this subtitle. The term "ton-mile" means a unit of measure equal to 2,000 pounds of cargo weight per mile traveled while engaged in commercial waterway transportation.

"(e) DATE FOR FILING RETURN.—The date for filing the return on which the user fee imposed by this section is reported for any calendar quarter shall be the last day of the first month following such quarter."

(b) The table of sections for chapter 36 of such Code is amended by adding at the end thereof the following new items.

"Subchapter G. User Fee on Commercial Use of Inland Waterways

"Sec. 4499. Imposition of User Fee"

(c) The amendments made by this section shall take effect on October 1, 1985.

SEC. 5. ESTABLISHMENT OF THE INLAND WATERWAYS USERS BOARD

(a) ESTABLISHMENT OF USERS BOARD.—There is hereby established an Inland Waterways Users Board (hereinafter referred to as the "Users Board") composed of the Secretaries of the Interior, the Treasury, Agriculture, Transportation, and Commerce and the Administrator of the Environmental Protection Agency (or their designees), and fifteen members selected by the Secretary, one of whom shall be designated by the Secretary as Chairman. The non-Federal members shall be selected so as to represent various regions of the country and a spectrum of users and shippers utilizing the inland and intracoastal waterways for commercial purposes.

(b) DUTIES.—The Users Board shall advise the Secretary of the Army annually on anticipated spending levels for and proposed improvements on the inland and intracoastal waterways and shall make such recommendations to the Secretary as the Users Board deems appropriate.

(c) ADMINISTRATION.—The Users Board shall be subject to the Federal Advisory Committee Act (83 Stat. 770; 5 U.S.C. App. 2), as amended, and, with the consent of the

appropriate agency head, the Users Board may use the facilities and services of any federal agency. Non-federal members of the Users Board while engaged in the performance of their duties away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code.

SEC. 6. REPORT BY THE SECRETARY.

The Secretary shall report to the Congress by March 1, 1990, and every five years thereafter, on any changes recommended for improving the efficiency and effectiveness in recovering costs for the inland and intracoastal waterways and any increase or decrease in the amounts to be recovered due to inflation and to projected volume and type of commercial traffic using the inland and intracoastal waterways. In preparing the report, the Secretary shall consult with the Secretary of the Treasury and shall take into consideration the views of the Users Board established pursuant to section 5 of this Act, and shall make such recommendations to the Congress as he deems appropriate, including recommendations concerning any increase or decrease in the tax imposed by section 4042 of title 26, United States Code, and the user fee imposed by section 4499 of title 26, United States Code which is needed to achieve appropriate recovery.

SEC. 7. EXPEDITED PROJECT AUTHORIZATION PROCESS.

(a) After coordination with affected federal agencies and non-federal public bodies, the Secretary, acting through the Chief of Engineers, is authorized to study, plan, design, construct, operate and maintain new improvements and rehabilitations and modifications of existing improvements on the inland and intracoastal waterways, described in section 206 of the Inland Waterways Revenue Act of 1978 (92 Stat. 1696), as amended by this Act, if the Secretary determines that the plan of improvement is feasible and justified, subject to the requirements of subsection (b) of this section.

(b)(1) Before the Secretary, acting through the Chief of Engineers, may initiate construction of a plan of improvement authorized by subsection (a) of this section the Secretary shall submit to Congress—

(A) a final environmental impact statement for the plan of improvement, if the Secretary determines that the statement is required by the National Environmental Policy Act of 1969 (83 Stat. 852; 42 U.S.C. 4331 et seq.); and

(B) a statement of the Secretary's compliance, as of such submission, with the Clean Water Act (86 Stat. 852; 33 U.S.C. 1251 et seq.), as amended, the Fish and Wildlife Coordination Act (48 Stat. 401; 16 U.S.C. 661 et seq.), as amended, and other statutory requirements applicable to the improvement.

(2) The statements required under paragraph (1) of this subsection and any other actions required by the National Environmental Policy Act of 1969 (83 Stat. 852; 42 U.S.C. 4331 et seq.) and other applicable statutes shall be completed on an expedited basis pursuant to schedules established by the Secretary after consultation with the Chairman of the Council on Environmental Quality and other appropriate federal and state officials. Thereafter, federal and state officials shall provide any data and comments, and the public shall be afforded opportunity to participate, in accordance with the Secretary's schedules. Any necessary decisions to be made by federal and state officials must be made in accordance with the Secretary's schedule.

(3) A plan of improvement addressed by an environmental impact statement that is submitted to Congress in accordance with paragraph (1) of this subsection shall be eligible for construction appropriations and implementation under subsection (a) of this section, and may be undertaken unless a Joint Resolution disapproving the environmental impact statement becomes law within one hundred and eighty calendar days of the receipt of the environmental impact statement by the Congress.

(c) An environmental impact statement which is submitted to Congress in accordance with subsection (b)(1) of this section and is not disapproved pursuant to subsection (b)(3) of this section shall be deemed to satisfy the requirements of section 102(2) of the National Environmental Policy Act of 1969 (83 Stat. 853; 42 U.S.C. 4332(2)), as amended.

(d) Claims alleging that work authorized by this section will deny rights under the Constitution of the United States or violate any federal or state statutes or regulations may only be filed in a United States District Court for a district in which the work is located or to be located, or in which the alleged injury occurs. These courts shall have original jurisdiction over the proceedings and shall assign them for hearing on an expedited basis if good cause exists for an expedited hearing. The courts shall not have jurisdiction to grant any injunctive relief against any actions pursuant to this section except—

(1) in conjunction with a final judgment entered in a case involving a claim filed under this section, or

(2) where the petitioner presents a clear and convincing showing that the petitioner is likely to prevail on the merits; that without such an injunction the petitioner will suffer irreparable harm; that issuance of an injunction will not lead to unreasonable harm to other parties; and that issuance of the injunction is in the public interest.

SEC. 8. PROJECT AUTHORIZATIONS.

The following improvements to the inland waterways of the United States are hereby adopted and authorized to be prosecuted by the Secretary in accordance with the plans and subject to the conditions recommended in the reports hereinafter designated. For those reports which have been transmitted to Congress before the date of enactment of this Act, a reference to a report of the Chief of Engineers is deemed to include any modifications or recommendations of the Secretary when transmitting such report to the Congress other than recommendations with respect to cost-sharing which are inconsistent with the requirements of this Act.

(1) Gallipolis Locks and Dam Replacement, Ohio River, Ohio and West Virginia: Report of the Chief of Engineers, dated August 13, 1983, at an estimated total cost of $317,000,000. (October 1984);

(2) White River Navigation to Batesville, Arkansas: Report of the Chief of Engineers dated December 23, 1981, at an estimated total cost of $27,000,000 (October 1984);

(3) Bonneville Lock and Dam, Oregon and Washington, Columbia River and Tributaries Interim Report: Reports of the Chief of Engineers dated March 14, 1980, and February 10, 1981, at an estimated total cost of $191,020,000 (October 1984);

(4) Atlantic Intracoastal Waterway Bridges, North Carolina: Report of the Chief of Engineers dated October 1, 1975, at an estimated total cost of $8,800,000 (October 1984); and

(5) Kentucky River, Disposition of Locks and Dams 5 through 14, Kentucky: Report of the Chief of Engineers dated July 2, 1984; except that, the Secretary is authorized to report Locks and Dams 5 through 14 as excess for disposal in accordance with sections 2 and 3 of the Act of August 6, 1956 (70 Stat. 1062) and other applicable law as if the project had been identified for disposition pursuant to section 1 of the Act of August 6, 1956.

SECTION BY SECTION ANALYSIS

A bill to authorize the improvement of and funding for the inland and intracoastal waterways of the United States, and for other purposes.

SECTION 1

This section provides that the Act may be cited as the Inland Waterways Development Act of 1985.

SECTION 2

This section gives the definitions of terms pertinent to the Act.

SECTION 3

This section amends the Inland Waterways Revenue Act of 1978 (P.L. 95-502) to (1) provide permanent appropriations of a new ton-mile user fee for navigation costs of the Corps of Engineers and the Tennessee Valley Authority (TVA), (2) authorize use of the existing fuel tax, subject to appropriation Acts, for new construction of navigation facilities on the inland and intracoastal waterways, and (3) simplify the definition of the inland waterway system.

This section amends P.L. 95-502 as follows:

Section 203 of P.L. 95-502 is amended by authorizing the deposit to the Inland Waterways Trust Fund of amounts equivalent to receipts from the new ton-mile user fee.

Section 204 of P.L. 95-502 is amended to authorize appropriations of fuel tax revenues, subject to appropriation Acts and including sums already in the Inland Waterways Trust Fund prior to enactment of this Act, to the Secretary of the Army and the TVA for construction of new navigation features on the inland and intracoastal waterways. Section 204 is further amended to provide permanent appropriations of the new ton-mile user fee revenues, without fiscal year limitation, to the Secretary of the Army for operation, maintenance, and new construction on the inland and intracoastal waterways. Each year the Secretary is to transfer to TVA an amount equal to its proportionate share of operation, maintenance and new construction costs. Permanent appropriation of ton-mile user fee revenues will allow necessary flexibility and continuity in project construction and operation and maintenance. This section also allows the use of the ton-mile user fee to cover the cost of its collection by the Internal Revenue Service. No Trust Fund amounts may be used for work on inland harbors. Work on such harbors would be subject to cost recovery under title I of the proposed Water Resources Development Act of 1985.

Section 206 of P.L. 95-502 is revised to redefine and simplify the definition of inland and intracoastal waterways. Most notably, the amendment would add the Tennessee-Tombigbee Waterway for both the fuel tax and ton-mile fee effective October 1, 1985.

SECTION 4

This section revises the Internal Revenue Code of 1954 to establish a user fee on vessels engaged in commercial waterway trans-

portation on the inland/intracoastal waterway system. The fee will be 1.5 mills (.15 cents) per ton-mile beginning on October 1, 1985. It will be payable by a vessel's operator and collected by the Internal Revenue Service. IRS is the appropriate agency for collection of the user fee since it now collects the existing fuel tax. IRS collection would minimize the record keeping and audit burden on the waterway industry and eliminate potential duplication by federal agencies. Exemptions from user fees are provided for vessels engaged in non-commercial activity of the United States and other nations, the business of state and local governments, and dredging. Commercial fishermen are also exempt. Definitions and filing requirements are provided. The initial rate of 1.5 mills per ton-mile is the estimated rate required to recover approximately 70 percent of expected federal operation, maintenance, and new construction costs for the inland waterways during fiscal years 1986 through 1990.

SECTION 5

This section establishes an Inland Waterways Users Board to make recommendations to the Secretary concerning anticipated spending levels for, and proposed improvements on, the inland and intracoastal waterways. The Board would be composed of twenty-one members, fifteen representing waterway users and shippers from various regions and six representing affected federal agencies. The Board would meet at least annually and would be allowed to use the facilities and services of any consenting federal agency. The Secretary shall consider the Board's recommendations in matters relating to the construction and operation and maintenance of the inland waterways. Provisions are made for selection of the Board's chairman, terms and continuity of membership to the Board, and reimbursement of expenses for non-federal members.

SECTION 6

This section requires that the Secretary report to Congress by March 1, 1990, and every five years thereafter, on any changes recommended for improving the efficiency and effectiveness in recovering costs for the inland and intracoastal waterways and any increase or decrease in the amounts to be recovered. Following consultation with the Secretary of the Treasury and consideration of the views of the Users Board, the Secretary will make recommendations concerning appropriate recovery of inland and intracoastal waterway costs.

SECTION 7

This section would authorize the Secretary to plan, design, construct, operate and maintain new improvements, as well as modifications, to the existing inland waterways. The Secretary may coordinate with federal agencies and non-federal public bodies in studying the feasibility of any such improvement and shall prepare a report. Prior to undertaking any construction authorized by this section, the Secretary must submit to Congress a final environmental impact statement (if required) and a statement of compliance with the Clean Water Act and the Fish and Wildlife Coordination Act, as well as other applicable statutory requirements. These statements would be completed on an expedited schedule established by the Secretary, after consultation with the Chairman of the Council on Environmental Quality and other appropriate federal and state officials. Any plan of improvement submitted in accordance with this section would be eligible for construction appropriations unless Congress passes a Joint Resolution disapproving the environmental impact statement within 180 calendar days of receipt, and the Joint Resolution becomes law. Any environmental impact statement submitted and not disapproved would satisfy applicable requirements of the National Environmental Policy Act. This section also limits judicial review to expedited hearings for claims against work authorized by this section.

SECTION 8

This section authorizes five projects or actions on the inland waterway system at a total estimated cost of about $550 million (October 1984 price levels). Any recommendations are deemed to include any modifications or recommendations of the Secretary other than recommendations with respect to cost sharing which are inconsistent with the requirements of this Act. These projects are:

(1) Gallipolis Locks and Dam Replacement, Ohio and West Virginia.

Location: In the Middle Ohio Valley about 14 miles downstream on the Ohio River from the mouth of the Kanawha River in West Virginia.

Purpose: Shallow draft navigation.

Problem: The present locks at Gallipolis (one 110 feet by 600 feet lock and one 110 feet by 360 feet lock) are small by comparison to other locks on the Ohio River and are inadequate to handle existing river traffic. The location of the locks in a riverbend makes locking conditions difficult and dangerous during moderate to high river levels.

Recommended plan: Construction of two new locks measuring 110 feet by 1,200 feet and 110 feet by 600 feet in a canal which will bypass the existing locks and dam and a major rehabilitation of the existing dam; 840 acres of mitigation lands will be purchased.

Environmental impact statement: Final statement filed with the Environmental Protection Agency in January 1982.

Total project cost: $317,000,000.

Benefit/cost ratio: 11.3 to 1 at a discount rate of 8⅝ percent.

(2) White River Navigation to Batesville, Arkansas.

Location: On the lower 300 miles of the White River in east central Arkansas.

Purpose: Shallow draft navigation improvement.

Problem: River conditions, including shallow depths, narrow channel, and tight bendways result in inefficient and unsafe commercial navigation.

Recommended plan: Improvement of channel to provide for a 200 foot wide by 9 foot deep channel to Newport, Arkansas. Improvement would be achieved by dredging, dikes, and bank paving. About 1,865 acres of bottomlands hardwoods would be purchased for mitigation, along with possible aquatic management measures.

Environmental impact statement: Final statement filed with the Environmental Protection Agency in January 1981.

Total project cost: $27,000,000.

Benefit/cost ratio: 1.1 to 1 at a discount rate of 8⅝ percent.

(3) Bonneville Navigation Lock, Washington and Oregon.

Location: Located at existing Bonneville Lock and Dam Project on the Columbia River.

Purpose: Shallow draft navigation.

Problem: Existing 76 foot by 500 foot lock is the smallest in the Columbia-Snake River Waterway system and is insufficient to efficiently handle existing river tows. In addition, this lock, if not replaced, is expected to become a traffic bottleneck by 1988 to 1990. The entrance approaches to the existing lock are also hazardous.

Recommended plan: Construction of a new 86 foot by 675 foot lock and entrance channels.

Environmental impact statement: Final statement filed with the Environmental protection Agency in March 1981.

Total project cost: $191,020,000.

Benefit/cost ratio: 1.21 to 1 at a discount rate of 8⅝ percent.

(4) Atlantic Intercoastal Waterway—Replacement of Federal Highway Bridges in North Carolina.

Location: Three bridges located in eastern North Carolina: Core Creek Bridge, about eight miles north of Morehead City, N.C.; Fairfield Bridge, approximately 75 miles east of Washington, N.C.; and Hobucken Bridge, approximately 30 miles east of New Bern, N.C.

Purpose: Assumption of State cost-sharing requirement under 1970 Rivers and Harbors Act.

Problem: These bridges were constructed by the federal government which retains responsibility for construction, operation and maintenance. The bridges are in a deteriorated state and do not meet current design standards. Consequently, the cost of maintenance of these bridges is increasing rapidly. In the interest of expediting replacement of the bridges, the State of North Carolina offered to pay 25 percent of the cost of construction and to accept ownership and maintenance responsibilities. In 1970 Congress authorized replacement of these three, and two other bridges in similar circumstances, at 75 percent federal cost. Since this authorization, circumstances precluded the state participation in construction. The State withdrew its offer to cost share construction, but maintained the offer to accept ownership and future operation and maintenance. In 1976, Congress authorized two of the bridges at full federal funding, but did not delete the local cost-sharing requirement for the three bridges considered here. Because of the possibility of failure and rapidly increasing costs of maintenance, it would be advantageous to the federal government to construct these three bridges and be relieved of the burden of ownership and further maintenance costs.

Recommended plan: Relieve the State of North Carolina of cost sharing responsibility for construction and rehabilitation of the three bridges and transfer ownership and operation and maintenance to the State.

Environmental impact statement: Final statement was filed with the Environmental Protection Agency in November, 1970.

Total project cost: $8,800,000.

Benefit/cost ratio: Not applicable.

(5) Kentucky River, Disposition of Locks and Dams 5 through 14, Kentucky.

Location: Kentucky River above Frankfort, Kentucky.

Purpose: Disposal of Kentucky River, Kentucky, Locks and Dams 5 through 14.

Problem: There is no existing or projected future commercial navigation usage of Kentucky River Locks 5 through 14. Continued operation and maintenance of these structures for the authorized purpose of commercial navigation is not economically justified. Although there are incidental purposes of regional recreational boating, water supply, and to a very limited extent hydroelectric power generation, annual National Economic Development benefits are not nearly suf-

ficient to outweigh annual operation and maintenance costs.

Recommended plan: Report Locks and Dam 5 through 14 as excess for disposal in accordance with applicable law as if the project had been identified for disposal in Public Law 84-996. This would allow for the disposal of this project, with first preference to any public body who has been operating and maintaining the project. The State of Kentucky has offered to assume operation and normal maintenance for a three-year period commencing in the summer of 1985.

Environmental impact statement: A Finding of No Significant Impact signed by the District Engineer is contained in his December 1982 report.

Total project cost: $80,000 annually to maintain project in a caretaker status until disposal.

Benefit/cost ratio: Not applicable.

DEPARTMENT OF THE ARMY,
Washington, DC, February 20, 1985.

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed is a draft of legislation "To authorize the improvement of and funding for the inland and intracoastal waterways of the United States, and for other purposes" (the Inland Waterways Development Act of 1985).

This proposal is a part of the Department of the Army's Civil Works legislative program for the 99th Congress. The Office of Management and Budget advises that this proposal is in accord with the President's program. The Department of the Army recommends that Congress enact the proposal.

PURPOSE OF THE LEGISLATION

As you know, the last water resources development bill for the Corps of Engineers was enacted in 1976. Since that time new construction funding has fallen off by more than two-thirds in constant dollars. This decrease has resulted not from a paucity of needed and worthwhile projects, but rather from a growing realization by recent Administrations and the Congress that we need to restructure the way projects are funded before we commit scarce federal dollars to them.

Virtually every study of federal water resources development projects undertaken in the last ten years, including studies by the General Accounting Office and the Congressional Budget Office, has concluded that the traditional federal subsidy for water projects is no longer justified. Since the Administration of Franklin Delano Roosevelt, the Executive Branch has been recommending increases in user charges or revisions in cost-sharing for federal water projects. Despite this urging, the formulas for cost-sharing have remained largely unchanged.

During the last Congress the House and Senate toiled to develop an omnibus water bill. All of us who are interested in meeting the Nation's water resources needs commend the Chairmen and ranking Members of the committees and subcommittees with legislative jurisdiction over this issue. While we admire the effort that went into the House and Senate omnibus bills, we felt that the proposals that were developed fell short of what would be acceptable in the cost-sharing arena and went too far in authorizing projects that were not economically justified.

This year it is imperative that Congress start anew on this difficult issue. In an effort to work toward an acceptable consensus, we have developed two separate bills representing the Administration's concept of justifiable and warranted water resources legislation. The first bill, which is being transmitted separately, consists of five titles that address ports and harbors, cost-sharing, project authorizations, project modifications, and various general provisions. The companion bill, which is enclosed, authorizes improvements on the Nation's inland waterways system and provides for a user fee to be collected by the Internal Revenue Service. Perhaps the most notable features of these bills, and the ones that we in the Administration believe are essential to a satisfactory resolution of this issue, are the provisions for recovery of a portion of the federal costs for harbor and inland navigation improvements. Both bills include authorization of projects which have been reviewed by the Executive Branch. We will also support inclusion of other projects receiving favorable Executive Branch recommendations before enactment of this legislation.

As discussed below, we believe that our proposals for cost recovery are fair and reasonable. The enclosed draft bill, the Inland Waterways Development Act of 1985, would allow the Internal Revenue Service to collect a fee to recover from users a portion of the costs associated with the Nation's inland waterway system. Commercial shippers using inland waterways would pay a uniform ton-mile fee of 1.5 mills per ton-mile. The amount collected through the fee would approximate 70 percent of the annual operation and maintenance costs of the Corps and the Tennessee Valley Authority for inland waterways and 70 percent of the cost of new improvements to the inland waterway system. The existing fuel tax would continue to be collected and would be available to fund future waterway construction. Funds collected through the user fees would be available to the Secretary of the Army and the Tennessee Valley Authority for operation, maintenance, and new construction within their respective areas of responsibility. To assist the Secretary in determining appropriate improvements and spending levels, the bill establishes an Inland Waterway Users Board representing users, shippers, and interested federal agencies.

With you help, and the help of the leadership in the other body, I believe we can reach a consensus on these important pieces of legislation. It will not be easy; much hard work remains to be done. Nevertheless, I am confident that we can, in good faith, overcome the differences that remain.

COST AND BUDGET IMPACTS

Enactment of the draft Inland Waterways Development Act of 1985 would result in an increase in budget authority for the Department of the Army in the amount of approximately $550 miliion in terms of construction authority for three new projects. The provisions for cost recovery from users would, however, result in a substantial decrease in the level of federal funding for Corps of Engineers water resources development activities.

ENVIRONMENTAL AND CIVIL RIGHTS IMPACTS

Enactment of the enclosed draft bill is not expected to have any significant environmental or civil rights impacts. The individual projects proposed for authorization have all been reviewed to determine any potential environmental impacts in accordance with the National Environmental Policy Act and other applicable environmental laws and regulations.

Sincerely,

ROBERT K. DAWSON,
Acting Assistant Secretary
of the Army (Civil Works).●

By Mr. STAFFORD:

S. 968. A bill to amend the Water Supply Act of 1958 to secure more timely repayment of Federal investments in multipurpose water resources development projects, to encourage more prudent participation in such projects by non-Federal interests, and for other purposes; to the Committee on Environment and Public Works.

WATER SUPPLY LEGISLATION

● Mr. STAFFORD. Mr. President, I send to the desk a bill to tighten the planning and contracting procedures for municipal and industrial water supplied from Federal projects under the terms of the Water Supply Act of 1958.

The Water Supply Act of 1958 provides the authority for the Army Corps of Engineers and the Bureau of Reclamation to make reservoir storage available for supplies of municipal and industrial water supply. This work is undertaken on a fully reimbursable basis.

Under this act, the Corps of Engineers has about 165 contracts with non-Federal interests for water storage, while the Bureau of Reclamation has about 20. The Bureau also has the authority to provide municipal or industrial water under the Reclamation Projects Act of 1939. Neither the Water Supply Act of 1958, nor the amendments proposed here today, will affect the authority of the Bureau to continue to provide municipal and industrial water under the 1939 act.

Why is it necessary to amend the Water Supply Act? The answer is found in recent reports by the General Accounting Office which document the underuse of existing reservoirs built in part for municipal and industrial water supply purposes. For instance, in 1981 the GAO found that:

• • • Federal law (the 1958 Water Supply Act) allows the Corps to construct reservoirs without firm commitments to buy all available reservoir storage space, (and) weak demand for the water allows it to remain under-utilized. For example, the Corps' Tulsa district (part of the southwestern division) has at least 1.7 million acre-feet of storage space allocated for M&I use in its operational reservoirs. At the time of our review, only 32 percent of the 1.7 million acre-feet of storage space was under contract. Many of the reservoirs have had water available for years, several for more than a decade. Also, the Corps district is building six additional reservoirs with 579,500 acre-feet allocated to M&I use. When the reservoirs are completed, the district's total M&I storage will be about 2,300,000 acre-feet. Five more reservoirs are authorized for future construction." (Source: "Changes In Federal Water Project

Repayment Policies Can Reduce Federal Costs," GAO, Aug. 7, 1981, p.11.)

In the same report, GAO goes on to note:

One important reason for large amounts of under-utilized Federal reservoir storage is the Water Supply Act of 1958, which permits 30 percent of the total estimated cost of a project to be allocated for indefinite future M&I use and does not require repayment contracts for such future uses before construction. Since the 30 percent provision is related to the total cost of the project (not just the M&I share), all of the M&I storage space in a reservoir can be allocated to indefinite future use and no one is committed for repaying the costs. Because most of the M&I space in Corps reservoirs was built for future use, most repayment is delayed until use is initiated. (p.13)

I believe that it is time to put the existing municipal water supply program on a more businesslike basis. Accordingly, these amendments would accomplish the following things:

First, at the preauthorization stage of project planning, the "letters of assurance" required routinely of local interests as an expression of their desire for a water supply project would have to include a more specific declaration of the community's intention for the use and repayment of future water supply storage.

Second, the amount of municipal and industrial water supply storage that the Federal Government can build for "future use"—that is, storage for water to be used at some indefinite time in the future, rather than used immediately upon the completion and filling of the reservoir—would be reduced. Under this bill, costs allocated to future use could constitute no more than 20 percent of total project costs, rather than the 30 percent under present law.

Third, prior to construction, non-Federal interests must contract to repay the cost of water storage reserved for "future use," rather than simply providing vague and unenforceable assurances that these costs will be repaid, as is now the case.

Fourth, the 10-year period under existing law in which no interest is computed on the cost of water storage for "future use" would be eliminated, and repayment of capital and accumulated interest would be required to begin after a 10-year grace period, rather than simply at whatever later date the "future" water supply is actually used.

Fifth, all operation and maintenance costs attributable to municipal and industrial water supply storage would have to be reimbursed on a current, annual basis, rather than allowing operations and maintenance costs to be deferred pending the actual use of the water supply storage.

Sixth, the formula for computing the interest rate applicable to non-Federal repayment obligations would be revised to reflect more accurately the cost of borrowing by the Treasury and eliminate any unintended interest rate subsidy to water supply beneficiaries. The 1958 act based the interest rate on the average coupon rate of outstanding long-term Federal obligations. In recent years, with interest rates more volatile, a rate formula based on the average market yield of outstanding long-term Federal obligations would track more closely the cost of Treasury borrowing to finance water supply projects. It should be noted that this market yield formula was written into law in at least three statutes enacted by the 98th Congress: the Hoover Power Plant Act of 1984 (Public Law 98-381); the Reclamation Safety of Dams Act Amendments of 1984 (Public Law 98-404); and the Colorado River Basin Salinity Control Act Amendments (Public Law 98-569).

Mr. President, that is what this bill does. Let me now mention briefly what this amendment does not do:

It does not in any way affect water for irrigation storage;

It does not affect municipal water deliveries under the authority of reclamation law; and

It does not abrogate any existing contracts with local interests, nor force them to renegotiate valid existing rights secured by contract with the Federal Government.

In short, the purpose of this bill is similar to other water project cost-sharing reforms under consideration in the Senate and recently enacted by Congress. That is, it seeks to have local interests plan more seriously for water supply before the Federal Government commits millions of dollars to reservoir construction. With 25 years of experience with the Water Supply Act, it is necessary to correct some of its unintended consequences and plug some of its loopholes.

In the interest of making better use of both our fiscal and our natural resources, this bill should become law.

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

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

S. 968

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 301(b) of the Water Supply Act of 1958, as amended (72 Stat. 319), is amended further as follows:

(1) Insert the following after the first proviso: "*Provided further,* That any letter of assurance required by law or regulation of State or local interests with regard to the inclusion of storage for municipal or industrial water in any reservoir project pursuant to this Act shall include a declaration of intention of the time when such interests are going to use any future water supply storage and repay the costs allocated thereto:";

(2) Strike the third proviso and insert in lieu thereof: "*And provided further,* That not to exceed 20 per centum of the total estimated cost of any project may be allocated to anticipated future demands where before construction or modification of any project including such storage is initiated, State or local interests contract for the use of such storage and the repayment of the costs allocated thereto within the life of the project:";

(3) In the fourth proviso, strike the "(1) and strike all beginning with "and (2)" to the period at the end of the sentence, and insert in lieu thereof: "but in no case shall the payment-free period exceed ten years.";

(4) After the first sentence insert the following: "All annual operation, maintenance, and replacement costs for municipal and industrial water supply storage under the provisions of this section shall be reimbursed from State or local interests on an annual basis;" and

(5) Strike the second sentence and insert in lieu thereof: "The interest rate used for purposes of computing interest during construction by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, taking into consideration average market yields on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the repayment period of the contract.".

(b) Nothing in this Act shall be deemed to amend or require amendment of any valid contract entered into pursuant to the Water Supply Act of 1958 and approved by the Secretary of the Army or the Secretary of the Interior prior to the date of enactment of this Act.●

By Mr. HELMS (by request):

S. 969. A bill to amend and extend the authorization of the Food Stamp Act of 1977, as amended; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD STAMP AND COMMODITY DISTRIBUTION AMENDMENTS

● Mr. HELMS. Mr. President, I am pleased to introduce on behalf of the administration of President Ronald Reagan legislation reauthorizing the Food Stamp Program for 4 years, through September 30, 1989. The legislation encompasses significant improvements in the operation of the Food Stamp Program. Probably the most important and innovative change in the program is the establishment of an Optional Nutrition Assistance Grant Program available to all States.

OPTIONAL NUTRITION ASSISTANCE GRANT PROGRAM

Under the administration's proposal, each State would be permitted to establish a nutrition assistance program in lieu of operating the Federal Food Stamp Program within that State. Currently State and local welfare offices administer the Food Stamp Program. Federal funding for nutrition assistance would continue, but each State would be responsible for establishing all of the major parameters of program eligibility, administrative procedures, means of issuing benefits, amount of benefits, and so forth. Rather than being subject to detailed Federal regulations—which seemingly cover every conceivable substantive

and procedural issue—States would have considerable flexibility to institute their own guidelines for providing food assistance to poor Americans.

States would be able to participate in the nutrition assistance grant by notifying the Secretary by April 1 preceding the fiscal year for which they wish to begin participation. Similarly, a State may opt to revert to the regular—that is, Federal—Food Stamp Program by giving similar notice.

The funding for each State would be determined based by the total amount of benefits issued by the State during the preceding fiscal year, with adjustments to reflect changes in the unemployment rate and in the Consumer Price Index—for all urban consumers for food at home as published by the Bureau of Labor Statistics—and other factors as the Secretary of Agriculture deems appropriate.

The following table outlines the amount of dollars in benefits issued within each State during fiscal year 1984:

VALUE OF FOOD STAMP BENEFITS ISSUED

[Fiscal year 1984]

Rank	State	Benefits (thousands)	Percent of total (percent)
1	New York	$902,149	8.44
2	Illinois	696,400	6.52
3	Ohio	674,932	6.32
4	Texas	665,947	6.23
5	California	655,693	6.14
6	Michigan	581,815	5.44
7	Pennsylvania	557,759	5.22
8	Florida	379,274	3.55
9	Kentucky	335,158	3.14
10	Louisiana	322,181	3.02
11	Alabama	319,529	2.99
12	Georgia	294,980	2.76
13	Tennessee	289,611	2.71
14	New Jersey	265,568	2.49
15	Mississippi	257,701	2.41
16	Indiana	253,593	2.37
17	North Carolina	238,166	2.23
18	Missouri	209,484	1.96
19	South Carolina	201,521	1.89
20	Virginia	198,056	1.85
21	Massachusetts	182,482	1.71
22	Maryland	168,778	1.58
23	West Virginia	151,932	1.42
24	Wisconsin	141,354	1.32
25	Oregon	139,256	1.30
26	Arkansas	138,042	1.29
27	Washington	134,862	1.26
28	Arizona	127,174	1.19
29	Oklahoma	121,722	1.14
30	Iowa	104,129	.97
31	Minnesota	97,220	.91
32	Colorado	93,257	.87
33	New Mexico	85,483	.80
34	Hawaii	79,762	.75
35	Kansas	67,433	.63
36	Connecticut	64,965	.61
37	Maine	63,805	.60
38	District of Columbia	42,341	.40
39	Nebraska	41,022	.38
40	Utah	39,433	.37
41	Rhode Island	36,805	.34
42	Idaho	36,655	.34
43	Montana	29,333	.27
44	Delaware	24,407	.23
45	South Dakota	24,337	.23
46	Virgin Islands	24,124	.23
47	Nevada	21,120	.20
48	Vermont	20,720	.19
49	Alaska	19,854	.19
50	Guam	18,553	.17
51	New Hampshire	17,531	.16
52	North Dakota	14,485	.14
53	Wyoming	14,029	.13
	Total [1]	10,685,922	100.00

[1] Excludes SSI/Elderly cashout, Northern Mariana; Preliminary data.
Source: U.S. Department of Agriculture.

Also to be included in the nutrition assistance grant will be the Federal share of administrative funding. A separate reform, which I will outline in a moment, is proposed for this aspect of the program.

The administration's bill is similar to legislation that I have introduced in the past and that I reintroduced earlier this year as part of S. 616. The block grant approach for Federal food assistance will no doubt attract favorable attention from States that desire to improve upon the provision of food assistance currently available through the Food Stamp Program.

Concerns have been expressed in the past about the rigidity of the present, federalized program. Virtually no differences in program operations are permitted despite the vast differences in the specific needs among and within States. For instance, the law and regulations permit no variances to recognize differences in food costs within the continental United States. No distinctions are made in most program operations between urban and rural areas where needs are often quite varied.

The block grant system would permit States to construct systems that will meet the unique needs and desires of each State, without Washington-imposed uniformity. Hearings were held last year by the Senate Committee on Agriculture, Nutrition, and Forestry on February 1, and I would expect careful consideration of the block grant approach as part of the reauthorization of the Food Stamp Program. A fundamental change is needed to improve the administration of federally funded food assistance to poor Americans.

At this point, Mr. President, I would like to outline for the record a brief history of legislative activity surrounding the concept of providing Federal food assistance in the form of a block grant as well as information on the recommendation of the President's Task Force on Food Assistance.

LEGISLATIVE HISTORY OF THE CONCEPT OF A BLOCK GRANT FOR THE FOOD STAMP PROGRAM

The current Food Stamp Program was initiated as a series of pilot projects in 1961. In 1964, the program was legislatively established. Program participation grew dramatically in the 1960's and 1970's as program coverage became national. Costs also escalated dramatically from $30 million in 1964 to $12.4 billion in fiscal year 1984.

The first legislation attempting anything resembling a block grant for the Food Stamp Program was introduced in 1975. The gentleman from Ohio [THOMAS N. KINDNESS] introduced H.R. 6269 on April 24, 1975, to replace the Food Stamp Program with a 5-year federally financed program which would phase out the Federal financial commitment for food assistance over the 5-year duration of the bill. On March 3, 1977, Representative KINDNESS reintroduced the bill as H.R. 4442. Other legislation, embodying the block grant concept, was introduced by the Senator from Oklahoma [Henry Bellmon], the Senator from New Mexico [PETE DOMENICI], the Senator from Indiana [RICHARD G. LUGAR], and the Senator from North Dakota, Milton Young. They introduced S. 1094, the Food and Nutrition Program Optional Consolidation and Reorganization Act on March 23, 1977. The bill would have permitted States to consolidate the various Federal nutrition programs and devise their own State programs to provide nutrition assistance. No reduction in funding was contemplated in the Senate proposal.

In the 96th Congress, Senators Bellmon and DOMENICI reintroduced legislation, S. 605, on March 8, 1979, which would have permitted any State the option of consolidating and reorganizing the various child nutrition programs, the Food Stamp Program, the expanded food and nutrition education program [EFNEP], and the commodity supplemental food program. Representative KINDNESS reintroduced his bill, H.R. 5816, on November 7, 1979.

On August 25, 1980, the gentleman from Pennsylvania, ROBERT S. WALKER, introduced a bill, H.R. 8021, to provide a block grant in lieu of the Food Stamp Program. An amendment by Representative WALKER to the Food Stamp Act Amendments of 1980, S. 1309, to establish a block grant had been defeated on May 8, 1980.

Representative WALKER reintroduced the bill in the 97th Congress as H.R. 637 on January 5, 1981.

Also in 1981, the administration of newly elected President Ronald Reagan indicated its intention to submit legislation to require a block grant nutrition assistance program for the Commonwealth of Puerto Rico in lieu of operating the Food Stamp Program in the Commonwealth. Puerto Rico at that time had the largest Food Stamp Program in the country, both in terms of costs—projected to be about $1.1 billion in fiscal year 1983—and in terms of percentage of the population participating, approximately 58 percent.

In the absence of specific statutory language from the administration, the Senate Committee on Agriculture, Nutrition, and Forestry developed the block grant for Puerto Rico. The block grant funding for Puerto Rico was established at $825 million, 25 percent below projected program costs. Because actual food price inflation has been less than was anticipated in 1981, the actual reduction in total benefits in Puerto Rico during fiscal year 1983 was about 15 percent less than would have been expected under the pre-1981 Food Stamp Program, rather than 25

percent. The block grant was to take effect on July 1, 1982, and Puerto Rico was granted considerable latitude in formulating a plan to meet the special needs of its low-income population. The Puerto Rico provision was a part of the reforms designed to slow the growth of the national Food Stamp Program included in the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35).

In 1982, I introduced S. 2352 which included a provision to permit States to opt for a block grant in lieu of continuing with State administration of the Federal Food Stamp Program. Unlike the House block grant bills which required mandatory participation, this legislation provided each State with the option to participate in the block grant approach. Each State would receive the same percentage of the national food stamp appropriation as the State had received in a prior year. The provision was included in the Senate version of the Omnibus Budget Reconciliation Act of 1982, S. 2774. However, the provision met with resistance from House conferees and was not included in the final version of the bill.

I reintroduced the proposal as S. 1279 on May 12, 1983 with the Senator from Idaho [JIM MCCLURE], the Senator from North Carolina [JOHN EAST], and the Senator from Oklahoma [DON NICKLES]. A hearing was held on the bill on February 1, 1984, drawing considerable support from a number of witnesses who indicated their State's interest in participating in such a block grant system.

Earlier this year, on March 7, I included a food stamp optional block grant in my omnibus farm legislation, S. 616. The gentleman from Pennsylvania [ROBERT S. WALKER], also reintroduced his bill as S. 1087 on February 7 of this year.

PRESIDENT'S TASK FORCE ON FOOD ASSISTANCE

Interest in the State option block grant has accelerated since January 1984 when the President's Task Force on Food Assistance completed its review of Federal food assistance programs. The primary recommendation of the task force was that participation in any or all existing Federal food assistance programs, including the Food Stamp Program, should be optional for individual States, so that a State could choose to operate a federally financed autonomous food assistance program of its own design to provide for the food needs of low-income individuals residing in that State. States would have the choice of the optional autonomous, or block grant style, program for each individual program.

For example, States would have the option, under the task force recommendation, of establishing an autonomous food assistance program in lieu of the Federal Food Stamp Program, while continuing to maintain the Federal School Lunch Program. Under the task force recommendation, funding allocations to States that choose to establish an autonomous food assistance program should be made according to a formula that would provide a predictable level of funds that meets the varying needs for food assistance in those States. This formula should be based on existing baseline levels of funding, on changes in food costs, and on the State population in need, for example, as reflected by the rate of unemployment in the State. The administration's proposal encompasses these recommendations of the task force.

The task force outlined the rationale for the optional block grant concept, termed "autonomous food assistance programs" by the task force, as follows:

We have become convinced that people in need of food assistance would benefit if the programs or any subset of them were controlled at a more local level, such as the State or county. The gains from such a modification derive from allowing the States: (1) more autonomy in allocating funds among the various food assistance program, (2) greater discretion in administering programs, and (3) greater responsibility for assuring that funds are properly targeted toward those in greatest need. The greater flexibility and improved administration that would be gained would help to increase the benefits available to the truly needy without at the same time increasing the cost to the taxpayers.

FUNDING FOR ADMINISTRATIVE EXPENSES

Mr. President, another important component of the administration's bill attempts to bring under control the escalating costs associated with administration of the Food Stamp Program and to eliminate the costly paperwork associated with justifying these expenses.

Federal costs associated with State administration of several federally financed welfare programs have been increasing in recent years. The Food Stamp, Aid to Families with Dependent Children, and Medicaid Programs are all administered by State and local governments. The Federal Government pays a share of these administrative expenses, usually 50 percent. In the case of the Food Stamp Program, the Federal Government provides 75 percent of the administrative expenses associated with startup of automation and 75 percent of the costs associated with investigations and prosecution of fraudulent activity.

As part of the fiscal year 1986 budget, the Reagan administration is proposing to establish a block grant for the Federal share of administrative expenses in each of these programs.

The issue of a consolidated welfare grant for administrative expenses was examined by the "Task Force on Low Income Standards and Benefits of the President's Private Sector Survey on Cost Control"—the Grace Commission. The efficiencies in administering the various programs, and the associated costs, vary a great deal among States. For instance, the Grace Commission found that, during fiscal year 1981, the costs for administering the Food Stamp Program ranged from a low of $9 per case in Wisconsin to a high of $94 per case in Alaska. More recent information from the Department of Agriculture indicates a continuing large disparity in administrative costs. During fiscal year 1984, these costs ranged from a low of $8.11 in West Virginia to a high of $91.89 in Alaska. The following table outlines the average monthly costs per case in each State during fiscal year 1984:

FOOD STAMP ADMINISTRATIVE COSTS—FISCAL YEAR 1984

State	Households (average per month)	Administrative costs (average per month)	Average administrative costs per household per month
Alaska	7,271	668,111	91.89
Arizona	73,610	2,193,129	29.79
North Dakota	10,850	312,866	28.84
Utah	23,182	626,405	27.02
District of Columbia	32,508	829,632	25.52
Texas	383,984	9,500,879	24.74
South Dakota	15,471	374,378	24.20
Maryland	120,148	2,786,288	23.19
Nevada	14,839	336,821	22.70
New York	760,976	17,136,772	22.52
New Mexico	51,222	1,151,070	22.47
New Jersey	185,547	4,071,219	21.94
New Hampshire	14,667	313,425	21.37
Connecticut	59,758	1,245,039	20.83
Georgia	205,582	4,200,894	20.43
Oklahoma	99,486	1,965,249	19.75
Virgin Islands	8,691	167,800	19.31
Idaho	21,532	411,135	19.09
Minnesota	86,629	1,642,116	18.96
Massachusetts	148,819	2,795,386	18.78
California	576,585	10,743,655	18.63
Missouri	142,362	2,594,263	18.22
Louisiana	198,507	3,607,289	18.17
Wyoming	9,304	159,784	17.17
South Carolina	131,180	2,246,497	17.13
North Carolina	179,360	3,061,138	17.07
Oregon	91,547	1,521,690	16.62
Tennessee	200,529	3,307,376	16.49
Montana	20,843	339,204	16.27
Indiana	149,779	2,373,651	15.85
Iowa	77,907	1,219,493	15.65
Washington	110,799	1,720,499	15.53
Nebraska	33,064	513,205	15.52
Vermont	15,513	240,100	15.48
Virginia	146,169	2,174,491	14.88
Florida	261,365	3,850,256	14.73
Hawaii	37,778	553,379	14.65
Delaware	16,739	240,196	14.35
Guam	5,070	70,251	13.86
Kansas	49,169	677,114	13.77
Alabama	215,629	2,964,341	13.75
Rhode Island	31,477	424,877	13.50
Colorado	67,038	901,990	13.45
Arkansas	101,690	1,334,292	13.12
Maine	47,769	601,722	12.60
Mississippi	161,458	1,993,178	12.34
Wisconsin	128,964	1,586,858	12.30
Kentucky	198,704	2,285,028	11.50
Illinois	431,539	4,761,098	11.03
Michigan	441,385	4,649,475	10.53
Ohio	442,188	3,971,517	8.98
Pennsylvania	432,140	3,750,083	8.68
West Virginia	93,392	757,787	8.11
Average			18.74

The Grace Commission noted that: "the open-ended nature of the Federal commitment reduces the incentive for the States to maximize their efforts to contain administrative costs."

The administration's proposal would freeze the Federal share of administrative expenses at current, fiscal year

1985, levels and then provide annual indexing of the amount.

An additional amount of money is provided for the administrative costs incurred as part of implementing the community work experience program also being proposed by the administration.

While some States may not like the freeze on funding—which is incorporated in a number of proposals in the administration's budget—they should be receptive to the elimination of time-consuming justifications for existing expenses which must be submitted under the current system.

COMMUNITY WORK EXPERIENCE PROGRAM

The third important aspect of the administration's program is the institution of a Community Work Experience Program for most able-bodied adult food stamp recipients.

The concept behind the administration's Community Work Experience Program [CWEP] is simply than an employable recipient should provide a public service by working for a government unit or a private nonprofit organization in exchange for his or her public assistance payments—in this instance, food stamp benefits. Such an individual would not receive a salary, but rather is expected to work in exchange for the amount of benefits received.

This type of workfare program provides welfare recipients with beneficial work experience and encourages their transition to economic independence. Workfare establishes an equitable system in which those recipients who can work will work. Workfare also provides a contribution to the community by virtue of the work done of the food stamp recipients, ususally on projects that otherwise would not be attempted.

Workfare in the Food Stamp Program has evolved from demonstration projects mandated by the food stamp legislation in 1977 and 1980. Fourteen demonstration, or pilot, projects were established. The results from the demonstration projects have been very encouraging. The results show that it is administratively feasible to operate cost-effective workfare programs that provide meaningful work experiences for able-bodied program participants.

During the course of the demonstration projects, those recipients referred to workfare both performed many hours of public service work and also left the food stamp rolls faster than similar people in communities without workfare. Seventy-seven percent of all recipients surveyed believed that able-bodied people should have to work in exchange for food stamps. Many indicated that they would work at a workfare job even if they did not have to do so. Thirty-five percent of those who worked at workfare job sites thought workfare would help them get a job later, primarily by building skills or providing contacts with potential employers. One letter from a workfare participant in San Diego, CA, summed up the beneficial impact that workfare can have on recipients:

Now that I have found a job, I just wanted to let you know that being on the workfare program was a very good thing for me. Being in an office situation again helped me to realize that I really enjoy that type of work. I had very little confidence in myself when I first came in there but finding that I could handle the work given to me and being able to practice typing there gave me the incentive to go and take the county test.

These success stories have been repeated countless times in the pilot projects and in other areas which have operated workfare under the optional system that has been available since established by Public Law 97-98 in 1981.

Two examples come to mind from Moore County in North Carolina. A woman served as a workfare participant in a senior citizens center. Although her obligation consisted of no more than 1 or 2 days a week, she frequently came into the center to work almost every day. Within 1 year, she was hired to provide in-home care for an elderly person in the county.

A young man who was well-educated had an extensive background in educational fundraising. His workfare assignment was with the local community college. So successful was he in performing his duties that he was eventually hired to do fundraising for the community college on a regular basis.

The most successful workfare programs have carefully matched the skills of food stamp recipients with the needs in the county. The results have been phenomenal. Typically, recipients who participate in workfare leave the food stamp rolls faster than similarly situated recipients, in other areas, who do not participate. This is the ultimate objective of workfare—to encourage recipients to obtain regular employment—not simply to require public service work indefinitely.

Under the administration's proposal, the food stamp workfare requirement would not apply to elderly or disabled participants, children under age 16, households with only one adult—generally female-headed households—caring for chidren under age 3, and certain other individuals. Nonetheless, the Department of Agriculture has estimated that approximately 40 percent of all food stamp households contain able-bodied individuals who would be subject to a workfare requirement.

Mr. President, the administration has included a number of other changes in the operation of the program designed to improve and, in many cases, simplify its administration. I ask unanimous consent that the transmittal letter from Secretary of Agriculture John Block, the proposed legislation, and a section-by-section summary provided by the Department of Agriculture be printed at the conclusion on my remarks.

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

S. 969

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food Stamp and Commodity Distribution Amendments of 1985".

REFERENCES TO THE FOOD STAMP ACT OF 1977

SEC. 102. Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Food Stamp Act of 1977 (7 U.S.C. 2011, *et seq.*)

DEFINITION OF THRIFTY FOOD PLAN

SEC. 103. Section 3(o) (7 U.S.C. 2012(o)) is amended in the first sentence by striking out "fifty-four" and inserting in lieu thereof "fifty".

REIMBURSEMENTS AND PAYMENTS MADE ON BEHALF OF HOUSEHOLDS

SEC. 104. Section 5 (7 U.S.C. 2014) is amended by—

(1) inserting immediately after the comma at the end of clause (1) of subsection (d) "except as provided in subsection (k),";

(2) inserting immediately before "shall be considered such reimbursement" in the proviso of clause (5) of subsection (d) "and no portion of any educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like,"; and

(3) inserting a new subsection immediately following subsection (j) as follows:

"(k) Notwithstanding the provisions of clause (1) of subsection (d)—

"(1) assistance provided to a third party on behalf of a household by a state or local government, including assistance provided under a federal or federally assisted program, but excluding:

"(A) medical assistance;

"(B) child care assistance;

"(C) energy assistance;

"(D) assistance provided by a state or local housing authority; and

"(E) emergency and special assistance, to the extent excluded in regulations prescribed by the Secretary

"(2) education loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits and the like, provided to a third party on behalf of the household shall be treated as money payable directly to the household."

HOMEOWNERSHIP COMPONENT OF SHELTER COSTS

SEC. 105. Section 5(e) (7 U.S.C. 2014 (e)) is amended by—

(1) in the second sentence, striking out "homeownership component" and inserting in lieu thereof "homeowners' costs and maintenance and repair component"; and

(2) in the fourth sentence, striking out "homeownership costs" and inserting in lieu thereof "homeowners' costs and maintenance and repair component".

DEDUCTION OF SHELTER EXPENSES AND ENERGY ASSISTANCE PAYMENTS

SEC. 106. Section 5(e) (7 U.S.C. 2014(e)), as amended by Section 105 of this Act, is further amended by inserting ", excluding ex-

penses paid on behalf of the household under the Low Income Home Energy Assistance Act (42 U.S.C. 8621, *et seq.*)," immediately after "by a household for shelter" in clause (2) of the fourth sentence and subclause (C) of the last sentence.

WORK REQUIREMENTS AND COMMUNITY WORK EXPERIENCE PROGRAM

SEC. 107. (a) Section 6 (7 U.S.C 2015) is amended by—

(1) in paragraph (d)(1)—

(A) striking out "eighteen" in the material preceding clause (i) and inserting in lieu thereof "sixteen"; and

(B) Striking out "which may include a requirement that, at the option of the State agency," in clause (ii) and inserting in lieu thereof "which shall include a requirement that";

(2) in paragraph (d)(2)—

(A) striking out "a work registration requirement" in clause (A) and inserting in lieu thereof "requirements for employment related activities';

(B) striking out in clause (B) "a dependent child under age six" and all that follows through the end of the clause and inserting in lieu thereof "(i) a dependent child under age six except that a State agency may, at its option, require such parent or guardian to comply with the work requirements if the child is age three or over and adequate child care is available, or (ii) of an incapacitated person;"; and

(C) striking out clause (C) and inserting in lieu thereof "(C) a person between ages sixteen and eighteen who is not a head of household or who is attending school on a full-time basis;";

(3) redesignating subsections (e) through (h) as (f) through (i), respectively; and

(4) inserting a new subsection immediately following subsection (d) as follows;

"(e)(1) No household shall be eligible for assistance under this Act if it includes a person who is required to comply with the work requirements of subsection (d), or is exempt from those requirements solely because of being subject to and complying with the work requirements of the Federal-State unemployment compensation system and who refuses to accept an offer from the State agency to perform work on its behalf in return for the receipt of the allotment to which the household is entitled under section 8 of this Act, with each hour of such work entitling that household to a portion of its allotment equal to the higher of the applicable State minimum wage or the Federal minimum hourly rate under the Fair Labor Standards Act of 1938.

"(2) The total hours required to be worked by a household in any month shall not exceed in value the household's allotment for such month and the total hours required to be worked by a household member, when added to any other hours worked during the month by such member for compensation (in cash or in kind) in any other capacity, shall not exceed 120 hours per month.

"(3) In the event that any person fails to comply with the requirements of this subsection, neither that person nor the household to which that person belongs shall be eligible to participate in the Food Stamp Program for two months, unless that person or another person in the household satisfies all outstanding community work experience obligations prior to the end of the two-month disqualification period."; and

(b) Section 11 (7 U.S.C. 2020) is amended by—

(1) inserting before the period at the end of paragraph (e)(22), as added by section 111 of this Act, "and the community work experience program services necessary to effectuate the provisions of subsection 6(e) and 11(o)"; and

(2) inserting at the end thereof a new subsection as follows;

"(o)(1) The Secretary shall promulgate guidelines pursuant to this subsection which, to the maximum extent practicable, enable a State agency to design and operate a community work experience program for purposes of subsection 6(e) which is compatible and consistent with similar programs operated within the State.

"(2) In establishing the community work experience program services as required under paragraph (e)(22) of this section, the State agency, and any political subdivision designated by the State agency, shall—

"(A) not provide any work that has the effect of replacing the employment of an individual not participating in the community work experience program;

"(B) provide the same benefits and working conditions that are provided at the job site to employees performing comparable work for comparable hours; and

"(C) reimburse participants for actual costs of transportation and other actual costs that are reasonably necessary and directly related to participation in the program, but not to exceed $25 in the aggregate per month.

"(3) Each State agency shall offer community work experience jobs to not less than twenty-five percent of the persons required to accept such employment under subsection 6(e) for any month in the fiscal year beginning October 1, 1985, fifty percent of such persons for any month in the fiscal year beginning October 1, 1986, and seventy-five percent of such persons for any month in the fiscal year beginning October 1, 1987 and each fiscal year thereafter. The Secretary shall use State agency reports in conjunction with findings of the quality control system to monitor the compliance of State agencies with the requirements of this paragraph. If it is determined that a State agency has failed to comply with such requirements, the State agency shall be subject to penalties as determined by the Secretary which may include a reduction in the funds provided to the State agency under subsection 16(a) in accordance with the procedure set forth in subsection 16(d). If such procedures are applied, the State agency shall be considered to have issued erroneous payments for the number of households by which it failed to meet the appropriate standard established in the first sentence of this paragraph, with each such erroneous payment being equal to the average allotment for all households containing a member who is required to accept community work experience jobs.".

IMMIGRATION AND NATIONALITY ACT REFERENCE

SEC. 108. Section 6(f)(2) (7 U.S.C. 2015(f)(2)) is amended by—

(1) striking out "203(a)(7)" and "(8 U.S.C. 1153(a)(7))" in clause (D) and inserting in lieu thereof "207 and 208" and "(8 U.S.C. 1157 and 1158)", respectively; and

(2) striking out in clause (D) "because of persecution" and all that follows through "natural calamity"; and

(3) striking out in clause (F) "because of the judgment of the Attorney General" and all that follows through "political opinion".

FEE FOR RETAILERS AND AUTHORIZATION OF TRANSFERRED FIRMS.

SEC. 109. Section 9 (7 U.S.C. 2018) is amended by—

(1) inserting at the end of subsection (a) the following new sentence: "Effective October 1, 1986, authorized retail food stores and wholesale food concerns shall, pursuant to regulations issued by the Secretary, pay an annual fee of fifty dollars, except that the Secretary may waive this requirement for retailers where such a waiver is determined by the Secretary to be necessary to assure reasonable access by food stamp households to authorized retail outlets. Fees collected under this subsection shall be paid into the general fund of the Treasury.";

(2) striking out "(b)" at the beginning of subsection (b) and inserting "(b)(1)" in lieu thereof; and

(3) inserting a new paragraph (b)(2) as follows:

"(2) No retail food store or wholesale food concern that has been sold or otherwise transferred following disqualification shall be authorized to accept and redeem coupons until the Secretary receives full payment of the civil money penalty required by subsection 12(e) of this Act. Such retail food stores and wholesale food concerns shall not, as a condition of authorization, be required to furnish a bond as prescribed in subsection 12(d) of this Act.".

DISCLOSURE OF INFORMATION SUBMITTED BY RETAIL STORES

SEC. 110. Section 9(c) (7 U.S.C. 2018(c)) is amended by inserting immediately before the period at the end of the second sentence "except that such information may be disclosed to and used by State agencies which administer the Special Supplemental Food Program for Women, Infants and Children, authorized by section 17 of the Child Nutrition Act of 1966, for purposes of administering the provisions of that Act and the regulations issued pursuant to that Act".

WORK REGISTRATION AND JOB SEARCH

SEC. 111. Section 11(e) (7 U.S.C. 2020(e)) is amended by—

(1) striking out "and" at the end of paragraph (20);

(2) striking out the period at the end of paragraph (21) and inserting in lieu thereof "; and"; and

(3) adding at the end thereof the following new paragraph:

"(22) that the State agency shall, pursuant to regulations issued by the Secretary, establish the work registration and job search services necessary to effectuate the provisions of subsection 6(d)(1) for all nonexempt persons.".

DISQUALIFICATION OF RETAIL FOOD STORES AND CIVIL MONEY PENALTIES

SEC. 12. Section 12 (7 U.S.C. 2021) is amended by adding a new subsection (e) at the end thereof, as follows:

'(e)(1) In the event any retail food store or wholesale food concern which has been disqualified pursuant to subsection (a) is sold or otherwise transferred, the person or persons who sell or otherwise transfer the retail food store or wholesale food concern shall be subjected to a civil money penalty. The amount of such penalty shall be established by the Secretary through regulations and shall reflect that portion of the disqualification period which has not yet expired. If the retail food store or wholesale food concern has been disqualified permanently, the civil money penalty shall be double the penalty for a ten year disqualification period, as calculated under regulations promulgated by the Secretary. The disqualification period imposed under subsection (b) shall continue in effect as to the

person or persons who sell or otherwise transfer the retail food store or wholesale food concern notwithstanding the imposition of a civil money penalty under this subsection.

"(2) At any time after a civil money penalty imposed under paragraph (1) has become final pursuant to the provisions of subsection 14(a) of this Act the Secretary may request the Attorney General to institute a civil action against the person or persons subject to the penalty in a district court of the United States for any district in which such person or persons are found, reside or transact business to collect the penalty and such court shall have jurisdiction to hear and decide such action. In such action, the validity and amount of such penalty shall not be subject to review.".

INTEREST ON CLAIMS AGAINST STATE AGENCIES

SEC. 113. Section 13(a) is amended by inserting a new sentence at the end thereof, as follows: "State agencies shall be liable for interest on claims established by the Secretary under this Act.".

ADMINISTRATIVE AND JUDICIAL REVIEW

SEC. 114. Section 14(a) (7 U.S.C. 2023(a)) is amended in the last sentence by—

(1) striking out "an" and inserting in lieu thereof "on"; and

(2) striking out "showing of irreparable injury" and inserting in lieu thereof "strong showing that the applicant is likely to prevail on the merits of the case".

ADMINISTRATIVE FUNDING

SEC. 115. Section 16 (7 U.S.C. 2025) is amended by—

(1) striking out subsection (a) and inserting in lieu thereof:

"(a)(1) for the fiscal year beginning October 1, 1985, $840,000,000 shall be the maximum amount to which States shall be entitled for the administrative costs of food stamp program operations. This amount shall be allocated among States in proportion to each State's actual administrative expenses incurred under Section 16(a) during the fiscal year beginning October 1, 1983, as documented by expenditure reports postmarked for delivery to the Secretary no later than January 20, 1985, and approved by the Secretary as of October 1, 1985.

"(2) for the fiscal year beginning October 1, 1986, and each fiscal year thereafter, the Secretary is authorized to pay to each State agency the amount of administrative funds provided for the preceding fiscal year adjusted to reflect changes in the gross national product implicit price deflator published by the Department of Commerce as measured between the midpoints of the first and second fiscal years preceding the fiscal year for which the grant is made.

"(3) The Secretary shall permit each State to retain 50 per centum of the value of all funds or allotments recovered or collected pursuant to section 13(b)(1) of this Act, and 25 per centum of the value of all funds or allotments recovered or collected pursuant to section 13(b)(2) of this Act, except the value of funds or allotments recovered or collected pursuant to section 13(b)(2) which arise from an error of a State agency. The officials responsible for making determinations of ineligibility under this Act shall not receive or benefit from revenues retained by the State under the provisions of this subsection.";

(2) Striking out subsection (c) and inserting in lieu thereof:

"(c) The Secretary is authorized to pay the State agencies not in excess of $92,000,000 for the fiscal year beginning October 1, 1985; not in excess of $160,000,000 for the fiscal year beginning October 1, 1986; not in excess of $233,000,000 for the fiscal year beginning October 1, 1987; and not in excess of $240,000,000 for the fiscal year beginning October 1, 1988, to help carry out the requirements of subsection 11(o) and the provisions of subsection 6(d)(1), as required by subsection 11(e)(22). The Secretary shall allocate the funds authorized to be provided under this subsection among the State agencies on the basis of each State agency's proportionate share of food stamp work registrants and such other factors as the Secretary may provide by regulation.";

(3) Striking out "the State agency's federally funded share of administrative costs provided pursuant to subsection (a), other than the costs already shared in excess of 50 per centum under the proviso in the first sentence of subsection (a) or under subsection (g)" in subsection (d)(2)(A) and inserting in lieu thereof "the funds provided to the State agency under subsections (a) (1) or (2)"; and

(4) Striking out "a State agency's federally funded share of administrative costs" wherever it appears in subsections (d)(2)(B), (d)(3)(A), (d)(3)(B), (d)(4) and (d)(5) and inserting in lieu thereof "the funds provided to a State agency under subsection (a) (1) or (2)"; and

(5) striking out subsection (g).

AUTHORIZATION FOR APPROPRIATIONS

SEC. 116. The first sentence of Section 18(a)(1) (7 U.S.C. 2027(a)(1)) is amended by—

(1) striking out "and" before "September 30, 1985"; and

(2) inserting immediately before the period at the end thereof the following: "; not in excess of $12,994,000,000 for the fiscal year ending September 30, 1986; not in excess of $13,449,000,000, for the fiscal year ending September 30, 1987; not in excess of $13,971,000,000, for the fiscal year ending September 30, 1988; and not in excess of $14,462,000,000, for the fiscal year ending September 30, 1989".

PUERTO RICO BLOCK GRANT

SEC. 117. Section 19 (7 U.S.C. 2028) is amended by—

(1) striking out "non-cash" in subsection (a)(1)(A);

(2) striking out the comma after "needy persons" and all that follows in subsection (a)(1)(A) and inserting a period in lieu thereof;

(3) striking out "and 50 per centum of the related administrative expenses" in subsection (a)(1)(B) and inserting "and related administrative expenses" in lieu thereof;

(4) striking out "July 1" in the second sentence of subsection (b)(1)(A) and inserting in lieu thereof "April 1"; and

(5) striking out "a single agency which shall be" in subsection (b)(1)(A)(i) and inserting in lieu thereof "the agency or agencies directly".

THE OPTIONAL NUTRITION ASSISTANCE GRANT PROGRAM

SEC. 118. (a) Section 20 of the Food Stamp Act of 1977 (7 U.S.C. 2011 *et seq.*) is amended to read as follows:

"NUTRITION ASSISTANCE GRANTS

"SEC. 20. (a) A State may, subject to the provisions of this section, elect to operate a low income nutrition assistance program in lieu of the food stamp program established under this Act. Any State which elects to operate a low income nutrition assistance program under this section or which elects to resume operation of the food stamp program shall give preliminary notice of such election to the Secretary by April 1 of the fiscal year preceding the fiscal year in which it wishes such election to take effect or at such later time as the Secretary deems feasible.

"(b)(1) The amount of the grant each State agency shall be eligible to receive under this section in any fiscal year is the sum of:

"(A) the total dollar value of all benefits issued by the State agency during the fiscal year preceding the fiscal year for which the grant is made, adjusted to reflect changes in the Consumer Price Index for all urban consumers for food at home published by the Bureau of Labor Statistics and unemployment data for the State, and such other factors as the Secretary deems appropriate; and

"(B) the administrative funds payable to the State agency under subsection 16(a) (1) or (2) for that fiscal year.

"(2) The Secretary shall pay to each eligible State at such times and in such manner as the Secretary may determine, the amount to which the State is eligible under subsection (b)(1).

"(c)(1) To be eligible to receive a payment under this section, each state shall have a plan approved by the Secretary at such time and in such form as prescribed by the Secretary. At a minimum, the plan shall:

"(A) designate a single State agency responsible for the administration of the nutrition assistance grant program;

"(B) assess the food and nutrition needs of needy persons residing within the State;

"(C) describe the assistance to be provided and the persons to whom such assistance will be provided;

"(D) comply with all the program requirements prescribed by the Secretary for the purpose of assuring that assistance is provided to the most needy persons in the State;

"(E) provide that, in the operation of the nutrition assistance program there shall be no discrimination on the basis of race, sex, religious creed, national origin, or political beliefs; and

"(F) include other information as required by the Secretary.

"(2) States shall make the plan prescribed by this subsection available for public inspection and comment.

"(d) Payments to the States shall be expended only in the fiscal year in which the funds are distributed or the following fiscal year.

"(e) States shall make all records concerning a program operated pursuant to this section available to the Secretary and the Comptroller General for examination and copying, on or off the premises.

"(f) If the Secretary finds that there is substantial failure by a State to comply with the requirements of this section, regulations issued pursuant to this section or the plan approved under susbsection (c), the Secretary may take one or more of the following actions:

"(1) terminate payments until the Secretary is satisfied that there is no longer failure to comply;

"(2) withhold payments until the Secretary is satisfied that there is no longer failure to comply, at which time the withheld payments may be paid;

"(3) refer the matter to the Attorney General with a request that injunctive relief be sought; and

"(4) refer the matter to the Attorney General with a request that an action be commenced.

"(g)(1) States receiving payments under this section shall provide for a biennial audit, conducted in accordance with the standards of the Comptroller General, of expenditures for the provision of assistance under this section and, within 120 days of the end of each fiscal year in which an audit is conducted, report to the Secretary the findings of such audit. States shall make the audit report available for public inspection.

"(2) Within 120 days of the end of each fiscal year, States shall prepare an activities report comparing actual expenditures with the plan submitted in accordance with (c)(1) of this section. States shall make the activities report available for public inspection.

"(h) Whoever knowingly and willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery, any funds, assets, or property provided or financed under this section shall be fined not more than $10,000 or imprisoned for not more than five years, or both, but if the value of the funds, assets, or property involved is not over $200, the penalty shall be a fine of not more than $1,000 or imprisonment for not more than one year, or both."

(b) Section 2 (7 U.S.C. 2011) is amended by striking out "a food stamp program is", and inserting in lieu thereof "nutrition assistance programs are.".

(c) Section 3(n) (7 U.S.C. 2012(n)) is amended by adding before the period at the end thereof "or a nutrition assistance program under section 20 of this Act.".

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS

SEC. 19. Section 4(b) (7 U.S.C. 2013(b)) is amended by inserting a new sentence after the third sentence as follows: "The Secretary shall (1) require, as a condition of eligibility for participation in the commodity distribution program, that each household member furnish to the State agency their social security account number(s), and (2) use such account numbers in the administration of the commodity distribution program. The Secretary and State agencies shall have the authority to match such account numbers of commodity distribution applicants against food stamp program participants' account numbers for purposes of preventing dual participation.".

JOB TRAINING PARTNERSHIP ACT BENEFITS AS INCOME

SEC. 120. Section 142(b) of the Job Training Partnership Act (29 U.S.C. 1552(b)) is amended by inserting immediately before the period at the end thereof "and the Food Stamp Act".

EXTENSION OF THE COMMODITY DISTRIBUTION PROGRAM

SEC. 121. Section 4(a) of the Agricultural and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended by striking in the first sentence "during fiscal years 1982, 1983, 1984, and 1985," and inserting in lieu thereof "for each of the fiscal years 1982 through 1989,".

ELIGIBILITY FOR THE COMMODITY DISTRIBUTION PROGRAM FOR SUMMER CAMPS

SEC. 122. Section 4(b) of the Agricultural and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended by striking out "under 18 years of age" and inserting in lieu thereof "18 years of age and under".

EXTENSION OF THE COMMODITY SUPPLEMENTAL FOOD PROGRAM

SEC. 123. Section 5(a)(2) of the Agricultural and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended by striking out "1985" and inserting in lieu thereof "1989".

PROHIBITION AGAINST SIMULTANEOUS OPERATION OF THE WIC PROGRAM AND NEW COMMODITY SUPPLEMENTAL FEEDING PROGRAM SITES

SEC. 124. Section 5(b) of the Agricultural and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended by adding at the end thereof the following: "No new commodity supplemental feeding programs shall be authorized to operate in an area served by a local agency participating in the program authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786).".

EFFECTIVE DATES

SEC. 125. The provisions of sections 107, 111, 115, 117, 120, 121, 122, 123 and 124 of this Act are effective October 1, 1985. Except as otherwise specifically provided, all other amendments made by this Act shall be effective upon such dates as the Secretary may prescribe, taking into account the need for orderly implementation.

SECTION-BY-SECTION SUMMARY: FOOD STAMP AND COMMODITY DISTRIBUTION AMENDMENTS OF 1985

REFERENCES TO THE FOOD STAMP ACT OF 1977

Section 102 would provide that the Food Stamp and Commodity Distribution Amendments of 1985 refer to the Food Stamp Act of 1977, as amended, unless stated otherwise.

DEFINITION OF THRIFTY FOOD PLAN

Section 103 would amend Section 3(o) of the Food Stamp Act to change one of the age ranges in the 4-person reference family used in calculating the amount of the Thrifty Food Plan. The ages of the adults in the reference family would be 20-50 years old instead of 20-54 years. Such a change is being proposed so that the age categories used for the Thrifty Food Plan will correspond to the age categories used by the National Academy of Sciences—National Research Council in developing the Recommended Dietary Allowances.

When the Thrifty Food Plan was revised in 1983, the food costs for the two groups (adults 20-50 and adults 20-54) were the same. The food consumption patterns for the 20-50 age group and for the 20-54 group are the same for seven of the eleven major food groups used in developing the Thrifty Food Plan. There are only minimal differences in the other four food groups.

A final reason for proposing this change is that the age range 20-54 was selected in 1971 to conform with the age ranges of the 1968 Recommended Dietary Allowances which were in use when the Economy Food Plan (the forerunner of the Thrifty Food Plan) was adopted. New research led to revision of the corresponding 1980 Recommended Dietary Allowances age range to 20-50 years.

REIMBURSEMENTS AND PAYMENTS MADE ON BEHALF OF HOUSEHOLDS

Section 104 would amend Section 5 to make two changes in current income exclusions. First, the proposal would amend Section 5(d) of the Food Stamp Act of 1977 to include all education assistance as income unless it is used for tuition or mandatory fees, even if the assistance is provided as a vendor payment or a reimbursement. Under the proposal, all education income used for any purpose other than tuition and mandatory fees would be counted as income without regard to the reason for which it is provided or the form in which it is provided.

Currently, some students are receiving Federal income assistance (Supplemental Educational Opportunity Grants (SEOGs), Pell Grants) from their colleges in such a manner that the students are construing the assistance to be vendor payments or reimbursements which would be excluded under the income exclusion for all vendor payments and reimbursements. Since the Department of Education provides SEOGs and Pell Grants to individual students and merely uses colleges as distributing agents, the grants are not considered vendor payments or reimbursements to be excluded as income.

There have been several court challenges in response to this policy. Enactment of the proposal would render the court challenges moot, thus ensuring that expenses for items other than tuition and mandatory fees will be handled in the same way for all students whether or not they receive Federal education assistance and whether their assistance is provided directly to them or channeled through colleges. Since all education income that is not used for tuition or mandatory fees would be counted, the proposal would result in administrative simplification and error reduction.

Second, Section 104 would add a new Section 5(k) to clarify current regulatory practice which is to include as income benefits provided to third parties on behalf of households by the Aid to Families with Dependent Children (AFDC) program and by State and local governments. However, again, as defined by current regulations, medical, energy, and child care assistance and assistance provided by a State or local housing authority would not be included as income. The Secretary would be authorized to provide, by regulation, an exclusion for certain third-party payments for emergency and special assistance; for example, if the payments exceeded usual grant levels, they could be excluded.

Currently, the Act excludes from the definition of income benefits which are not in the form of money payable directly to a household. However, the legislative history accompanying this part of the Act (House Report No. 95-464; June 24, 1977; Page 34) states: "It should be noted that any money payable to a household, but diverted from it to a third party, either of the household's own free will (e.g., an arrangement with an employer to deduct the rent and mail it to the landlord) or involuntarily (e.g., court-ordered garnishment of wages) would be counted as income and would not be excluded. . . ."

Based on the legislative history, the language in the Act has been interpreted so that AFDC protective payments and certain general assistance payments provided by State and local governments through vendor payments rather than cash have been included as income. Such an interpretation is the logical one, particularly so when the same assistance is provided to other recipients in cash, which must be included as income. However, the policy on general assistance vendor payments has been challenged in at least two court suits. The proposal would establish the policy in the statute. Moreover, it would reinforce Congress' historical intent that payments from governmental assistance programs be included as income regardless of their form

and insure equity between groups of individuals who receive assistance in varying forms.

HOMEOWNERSHIP COMPONENT OF SHELTER COSTS

Section 105 would amend Section 5(e) of the Food Stamp Act to delete references to the homeownership component of shelter costs. This term is used in describing the method for calculating the annual adjustments in the standard deduction and the cap on the excess shelter expense deduction, the dependent care deduction, and the combined deduction for shelter and dependent care. The homeownership component consisted of three cost categories: home purchase; financing, taxes, and interest; and the costs of maintenance and repairs. It was one of two components of shelter costs in the Consumer Price Index for all urban consumers (CPI-U). The Bureau of Labor Statistics no longer develops a homeownership component of shelter costs for the CPI-U. Now there are 3 components of shelter costs in the CPI-U: renters' costs, homeowners' costs, and maintenance and repairs. Therefore, the Food Stamp Act references need to be changed.

Comparable terminology would require references to two different components: homeowners' cost and maintenance and repairs. Replacing "homeownership component" with "homeowners' costs and maintenance and repair component" does not produce any change in the food stamp deductions since the same elements are involved but in a different combination. A technical change is necessary so that the standard deduction and the deduction cap can be adjusted in a manner consistent with the language of the Act.

DEDUCTION OF SHELTER EXPENSES AND ENERGY ASSISTANCE PAYMENTS

Section 106 would amend Section 5(e) of the Food Stamp Act to state clearly that payments made directly to energy suppliers under the Low Income Home Energy Assistance Act (LIHEAA) cannot be counted when determining a household's excess shelter expense deduction.

Currently, there is a general statement in this Section of the Act which excludes "expenses paid on behalf of the household by a third party" from deductible shelter expenses. This exclusion was added in December 1981 (P.L. 97-98) to codify the regulation then in effect which disallowed a deduction for expenses paid for by a third party since such payments are excluded as income. The legislative history explicitly stated that no deduction would be allowed ". . . if a household's winter fuel bill is paid directly by an energy assistance program, i.e.; the program pays money to the fuel provider directly . . ." (H.R. Rep. No. 106, 97th Congress. 1st session 128-129). The proposed clarification would demonstrate beyond any doubt that the language in the Food Stamp Act supersedes LIHEAA language which states that payments made under that Act shall not be counted as income or resources "under any Federal or State law relating to taxation, food stamps, public assistance or welfare programs."

Despite the clear intent of Congress in 1981 regarding the Food Stamp Program's handling of energy assistance vendor payments, the United States Court of Appeals for the Eighth Circuit in June 1982 upheld a lower court's adverse decision on the policy in the case Schmiege v. Noot and Block. The decision overturned the Department's policy of not allowing deductions for vendor payments made under LIHEAA on the basis that LIHEAA took precedence over the Food Stamp Act even though the Food Stamp Act amendment was approved subsequent to the LIHEAA. The decision has been implemented in the Eighth Circuit only. Another case (in Idaho) has also been recently decided against the Department on this issue, but is under appeal. The Idaho State agency is following the adverse court decision during the course of the appeal.

The proposed statutory clarification would firmly restate the common-sense principle that deductions should not be allowed for expenses that are paid for by vendor payments excluded as income, regardless of the legislative authority under which the vendor payments are provided.

WORK REQUIREMENTS AND COMMUNITY WORK EXPERIENCE PROGRAM

Section 107 would amend Section 6 of the Food Stamp Act to establish greater conformity between the food stamp work requirements and those of the AFDC program. The amendments are being proposed as part of the overall effort to establish a consistent work policy that will encourage participants in both programs to find regular employment. The work requirements would be extended to 16- and 17-year old heads of households unless they are full-time students. Also, food stamp applicants would be required to meet job search requirements. Job search is now required of applicants only if State agencies exercise their option to mandate it.

Further, food stamp State agencies would be given the same option that AFDC State agencies have to extend work requirements to caretakers of children between three and six years old when adequate child care is available. Currently, caretakers of children under six years old are exempt from all of the work requirements; also, caretakers of children between six and twelve can refuse offered employment without penalty if adequate child care is not available for those children. Finally, the exemption from the work requirements now provided for students would be deleted. All these changes would bring AFDC and food stamp work requirements into closer alignment and thus improve administration.

Section 107 would also amend Sections 6, 11, and 20 of the Food Stamp Act to mandate the establishment of a work requirement program in every State which incorporates the operation of job search and a community work experience program (CWEP) for the Food Stamp Program. Each State agency would be required to monitor job search activities of work registrants, as well as to place in CWEP jobs registrants who are not placed in paid employment.

Section 6 would be amended to establish compliance with work requirements as an eligibility requirement, including the acceptance and performance of CWEP jobs if assigned. In order for a household to continue to be eligible to receive food stamps, the members who would have to satisfy the CWEP requirement would be those subject to food stamp work requirements and those who are only exempt because they are complying with the work requirements of the Federal-State unemployment compensation system. The total monthly household food stamp CWEP requirement would be the number of hours obtained by dividing a household's monthly allotment by the higher of the State or Federal minimum wage. However, the maximum CWEP requirement would be 120 hours per month for each covered individual in combination with any other work. This is comparable to the current maximum of 30 hours per week for participants in the Food Stamp Optional Workfare Programs and the number of hours otherwise nonexempt persons must work to be exempt from the food stamp work requirements. Also, failure to report for an interview or perform work without good cause would result in a two-month disqualification period for the household. However, disqualifications could be "cured" by household members who "work off" the value of food stamps received during periods of noncompliance.

Section 11 would be amended to establish the requirement that State agencies operate work requirement programs which include both job search and CWEP components. The administration of work registration and the monitoring of job search requirements for all non-exempt applicants and recipients would be identified as a mandated State agency responsibility (as specified by Section 111 of this bill). The amendatory language would also require the Department's CWEP regulations to be as flexible as possible to permit State agencies to operate food stamp CWEP programs that are compatible with other workfare/CWEP programs the State may have in operation. A State agency could integrate its food stamp CWEP program into such a program with prior approval from the Department. The statutory protections and operating guidelines (including reimbursing participants for actual expenses necessary for performing CWEP work, with a maximum set at $25 a month) would be the same as those currently in Section 20 of the Act for food stamp Optional Workfare Programs. However, the State agency's option to allow a job search period for up to 30 days following the eligibility determination would be deleted. Also, the special funding incentive for State agencies provided from half of demonstrated workfare savings would be deleted.

Finally, Section 20 would be struck; thereby, deleting the authority and guidelines for operating the food stamp Optional Workfare Programs.

State agencies would be given three years to develop and fully implement work requirement programs. A State agency performance standard for the CWEP portion of the work program would be set at 25 percent of work registrants in Fiscal Year 1986, 50 percent in Fiscal Year 1987, and 75 percent in Fiscal Year 1988 and subsequent years. That is, a State agency would have to offer CWEP jobs or take administrative action against the required percentage of work registrants each month. The CWEP performance standard would be applied separately from the requirement for job search monitoring. In addition, the Secretary would have authority to prescribe limits on the length of time a registrant could be required to search for a job before being placed in a CWEP position. A State agency failing to meet the performance standard would be subject to penalties established in regulations. The existing system of disallowing or suspending administrative funds for deficiencies in administering the program would be modified for use in most instances of CWEP noncompliance by State agencies. However, in certain extraordinary circumstances, the Department could reduce a State agency's administrative funding using the procedures of Section 16(d) of the Act by considering CWEP noncompliance as issuance to ineligible households for purposes of error rate liability.

Funding for establishing work requirement programs would be provided through grants to State agencies that are separate from general administrative grants. These grants would be established in Section 16 of the Food Stamp Act, as amended by Section 115 of this bill.

Mandatory CWEP is being proposed because it would benefit both program participants and communities. It would afford able-bodied food stamp recipients the opportunity to perform useful work and, thus, enhance their sense of self-worth. It would provide communities the benefits of that work. Performance of a CWEP job introduces individuals to the work environment and encourages the individuals to find regular employment, as does a requirement for employable people to perform job searches. Further, the existence of a CWEP/job search requirement acts as a deterrent to program participation for those who could work but do not do so through choice. Finally, it is estimated that the CWEP proposal would save $16 million in Fiscal Year 1986. Effective administration would realize these savings in two ways: (1) assisting individuals to find regular employment, thus, becoming ineligible or entitled to smaller allotments; and (2) deterring individuals not wanting to work from participation.

IMMIGRATION AND NATIONALITY ACT REFERENCE

Section 108 would amend Section 6(f) of the Food Stamp Act to replace the reference to an out-of-date Section of the Immigration and Nationality (I&N) Act with the correct current references and to make two other technical changes necessary for the language in the Act to agree with I & N Act terminology.

FEE FOR RETAILERS AND AUTHORIZATION OF TRANSFERRED FIRMS

Section 109 would amend Section 9 of the Food Stamp Act to impose a $50 annual fee on retailers and wholesalers authorized to accept food stamps. Fees from currently-participating retailers would be due on October 1, 1986, and each succeeding October 1. The fee would be due from new retailers applying after October 1, 1986, immediately upon approval of their applications and on each subsequent October 1. Retailers could claim a hardship exemption from the fee by demonstrating that food stamp recipients who habitually patronize the store would experience a hardship if the store could not accept food stamps. Funds received as a result of this proposal would be paid into the general fund of the United States Treasury.

Imposition of a nominal user fee is being proposed to recognize that most retailers benefit from their participation in the Food Stamp Program. Also, it costs the Federal Government over $14 million annually to authorize and supervise more than 230,000 firms. This proposal could result in restoration of most of that expense. Section 9 of the Food Stamp Act would be further amended to prohibit the authorization of disqualified stores following sales or other transfers unless the penalty established by Section 112 of this bill has been paid.

DISCLOSURE OF INFORMATION SUBMITTED BY RETAIL STORES

Section 110 would amend Section 9(c) of the Food Stamp Act to permit the disclosure of the information retail stores are required to submit under this subsection to State agencies that administer the special supplemental food program for women, infants and children (WIC) in monitoring retail store compliance in their program. Currently, Section 9(c) limits "use or disclosure" of information submitted by retail food stores to purposes directly connected to administration or enforcement of the Food Stamp Program.

The current limitation prevents sharing of food stamp retail monitoring information with WIC authorities, even though most of the approximately 50,000 retail stores authorized to participate in the WIC program also participate in the Food Stamp Program. (WIC legislation and regulations lack such constraints on information sharing.) For example, WIC State agencies cannot be informed of sales or redemption information on potentially high-risk vendors as indicated by a high ratio of food stamp redemptions to total food sales. Such information would be used in conjunction with other information available to WIC agencies to improve oversight of retail stores. The amendment is expected to increase the efficiency and effectiveness of retail oversight efforts and contribute to the prevention and detection of fraud, waste, and abuse in the WIC program.

WORK REGISTRATION AND JOB SEARCH

Section 111 would amend Section 11(e) of the Food Stamp Act to identify administration of the program's work requirements as a mandated State agency activity. There are four work requirements which non-exempt food stamp applicants and participants must meet: registering for work, searching for work and reporting on job search efforts, accepting a suitable job if offered, and keeping a job unless there is a good cause for quitting. State agencies would be given broad latitude in choosing methods for administering these requirements including whether to do so themselves or to contract with another agency, such as State Employment Security Agencies (SESAs). The proposal to statutorily mandate State agency administration of the work requirements will assure wider implementation of the requirements.

DISQUALIFICATION OF RETAIL FOOD STORES AND CIVIL MONEY PENALTIES

Section 112 would amend Section 12 of the Food Stamp Act to impose a civil money penalty when a disqualified store is sold or transferred before the disqualification period is completed. The amount of payment would be calculated in a manner similar to the manner civil money penalties levied in lieu of disqualifications are now determined: i.e., multiply 10 percent of monthly redemptions over the 12-month period prior to the finding of violations times the number of months remaining in the disqualification period. For the purpose of this provision, permanent disqualification would be assumed to be 20 years, double the maximum disqualification period of 10 years. Under the proposal, in Section 109 of this bill, the new owner of a disqualified store could not be authorized to accept food stamps until the previous owner paid the cash penalty. The previous owner would remain disqualified for the duration of the disqualification period. The Secretary could ask the Attorney General to institute a civil action in a United States District Court to collect the penalty. The Court would be prohibited from reviewing the validity and amount of the penalty.

The proposal would eliminate situations where a violating retailer reaps illegal profits until caught and disqualified and then completely evades all penalties through sale of the store. In most areas of high food stamp usage, the inability to have a store authorized to accept food stamps would create a serious barrier to the sale of that store. Also, the proposal would make it less attractive to disqualified store owners to engage in fictitious sales to relatives or friends as a means of avoiding disqualifications. Thus, by closing avenues for escaping punishment, the proposal would be a strong deterrent against retailer abuse.

INTEREST ON CLAIMS AGAINST STATE AGENCIES

Section 113 would amend Section 13(a) of the Food Stamp Act to state specifically in the statute that the Department's past-due claims against State agencies draw interest. The interest would be computed at rates prescribed by the U.S. Department of the Treasury under the Federal Claims Collection Act.

The proposed clarification is needed due to a recent adverse ruling in Perales v. USDA and Block (N.Y. Dist. Ct.). This decision found invalid the current policy of charging interest on State agency debts due to lack of specific authority in the Food Stamp Act. Charging interest is a valid means to encourage prompt payment of debts. Debts owed by State agencies for losses incurred in operating the Food Stamp Program can be substantial. Charging interest on these debts is a means to discourage dilatory judicial appeals (since interest accrues during the appeal process) and a way to hasten collection of the sometimes large amounts owed to the Federal government by State agencies. Interest is charged on certain State agency debts under the Social Security Act. Thus, there is a precedent for including the specific authority to levy interest charges against State agencies in the Food Stamp Act.

ADMINISTRATIVE AND JUDICIAL REVIEW

Section 114 would amend Section 14(a) of the Food Stamp Act to change the condition appellant retailers and wholesalers must meet in order to obtain judicial stays of denials of authorizations and administrative penalties. The change would require a petitioning firm to show that it is likely to prevail on the merits of the case in order to obtain a stay.

Currently, under Section 14(a), a retail or wholesale firm requesting judicial review of a denial of authorization, disqualification, or imposition of a civil money penalty can obtain a stay pending a decision by the court merely by showing that irreparable injury would occur. Since it is relatively easy to plead that actions such as disqualification will result in irreparable injury, stays are usually granted; thus, delays of more than a year in implementing disqualifications are not uncommon.

The proposed standard—likelihood of prevailing—is a usual condition which all petitioners must establish before stays are granted. It has not been specially created for applicant and authorized retailers and wholesalers; rather, the current stay criterion (irreparable harm) has been a special condition that has been inordinately favorable to such retailers and wholesalers. Since it would be considerably more difficult for a firm to meet the proposed test than to merely show that irreparable injury would occur, fewer stays would be granted, resulting in more rapid implementation of disqualifications. Speedier disqualifications would more quickly eliminate abuse by violating retailers and wholesalers as well as serve as general deterrents to retailer/wholesaler abuse.

Section 114 would also revise the condition State agencies must meet in order to

obtain stays during the pendency of judicial reviews to the likelihood-of-prevailing standard. Just as it would be good management practice to require appellant retailers to meet the usual conditions for obtaining stays of administrative actions, so would it be prudent to extend such conditions to State agencies. Also, the current irreparable injury test permits States to delay almost indefinitely billings for liabilities or implementation of formal warning disallowances. The proposal, by making it more difficult to obtain stays, would help to assure that judicial reviews would not be requested routinely merely as delaying tactics, but only when States genuinely believed their position would be upheld by the court. Thus, the proposal would help asure prompt payment of liabilities, while still affording States their full review rights.

ADMINISTRATIVE FUNDING

Section 115 would amend Section 16 of the Food Stamp Act to establish a State administrative grant set at $840 million in Fiscal Year 1986 to be distributed proportionately to State agencies on the basis of their past shares of Federal administrative costs. This grant is proposed in conjunction with similar grants by the Department of Health and Human Services for administrative costs for AFDC and Medicaid programs. The grant would be increased in subsequent years to reflect the rate of inflation in the general economy.

The proposed administrative grant would replace the current Federal cost-sharing arrangements which are prescribed by Section 16. The Federal government now pays for 50 percent of the costs of general Food Stamp Program administration, 75 percent of approved automated data processing (ADP) development costs, and 75 percent of special costs for investigations and prosecutions of program violators. There is currently no limit on Federal funding for administrative costs in the Food Stamp Program.

Under the proposal, the amount projected to be spent on these three cost categories for Fiscal Year 1985 expenses, $840 million, would be included in the administrative grant fund. Each State's proportionate share of Federal administrative funds for general program administration and investigations and prosecutions for Fiscal Year 1984 would be calculated based on reports from State agencies postmarked no later than January 20, 1985. That percentage would then be applied to the total $840 million grant. The grant provided to each State would serve as the basis for calculating error rate liability sanctions, and could be reduced to reflect imposition of any such sanctions in subsequent years.

State administrative grants are being proposed for several reasons. First, they would simplify program administration by eliminating complicated funding formulas in all three programs. Second, the grants would create stronger incentives for States and local agencies to implement management improvements because any associated savings would directly reduce State costs without affecting Federal grants. Finally, the establishment of an administrative funding limit would help control Federal expenditures. Federal costs for the Food Stamp Program are expected to be reduced by $40 million in Fiscal Year 1986 by holding Federal administrative funding costs at the same level as expected for Fiscal Year 1985.

Section 115 would also amend Section 16 to establish a separate grant to State agencies to assist them in establishing work requirement programs, as required by Sections 108 and 112 of this Act. The grant would be $92 million in Fiscal Year 1986 and $160 million, $233 million, and $240 million in the next three fiscal years. Grants would be distributed on the basis of the number of food stamp work registrants in each State and any other factors that are included in Food Stamp Program Regulations.

Finally, Section 115 would delete Section 16(c), thereby removing authority to provide enhanced Federal funding when State agencies meet certain management performance standards. Since administrative funding would be provided in the form of a grant under this proposal, references to enhanced Federal funding would be inapplicable.

AUTHORIZATION FOR APPROPRIATIONS

Section 116 would amend Section 18 of the Food Stamp Act to extend the authorization to appropriate funds to carry out the provisions of the Act through Fiscal Year 1989. Current law authorizes appropriations for the Food Stamp Program only through September 30, 1985.

PUERTO RICO BLOCK GRANT

Section 117 would amend Section 19 of the Food Stamp Act to revise four provisions of the Commonwealth of Puerto Rico's Nutrition Assistance Program. First, Section 19(a) would be amended to delete the requirement that the Commonwealth replace its cash food assistance program with a noncash program by October 1, 1985.

The current noncash assistance requirement is directly contrary to the Departments' goal of maximum State agency flexibility, ignores the valid reasons for which the Commonwealth developed and implemented a cash assistance program, and fails to recognize the special problems the Commonwealth would have administering a noncash program separate from the nationwide Food Stamp Program. The Commonwealth chose a cash assistance program as a way to lower administrative costs and reduce overall fraud and abuse by eliminating abuses specifically related to the use of food stamps.

There are several programmatic problems associated with requiring the Commonwealth to convert to a noncash assistance system, particularly if the Commonwealth would decide to switch back to a food-coupon-type system. A food coupon manufacturing and distribution system would have to be established, run, and monitored. Also, a system for the security and accountability of the food coupons would have to be established as well as a system for the destruction of used food coupons. In addition, an apparatus for food coupon redemption and retailer authorization/monitoring would have to be established. Finally, any system involving the participation of retailers would most likely bring about the recurrence of retailer-related abuses, such as trafficking, discounting, and counterfeiting.

Second, Section 117 would amend Section 19(a) to delete the requirement that the Commonwealth must pay 50 percent of administrative costs. The current matching requirement unnecessarily fetters the Commonwealth's funding decisions. The proposal would provide the Commonwealth maximum flexibility in managing block grant funds. Under the proposal, in one or more years, the Commonwealth could decide to devote more of the block grant funds than could be matched by other funds available to the Commonwealth to special administrative procedures. As examples, the Commonwealth could develop an administrative process that would uncover and curb abuse or more efficiently deliver appropriate levels of benefits to the neediest Puerto Ricans.

Third, Section 117 would amend Section 19(b) to change the due date for the Commonwealth's plan for operating its Nutrition Assistance Program from July 1 of each year to April 1. This change is proposed so that the Commonwealth's plan submission schedule will conform with that proposed for States that choose to receive nutrition assistance grants under Section 118 of this bill.

Fourth, Section 117 would delete the requirement in Section 19(b) that the Commonwealth of Puerto Rico designate a single State agency to administer or supervise administration of the nutrition assistance program. This change would allow direct and speedier communication between the operators of special projects in Puerto Rico and agencies in the Federal government that approve and review the special projects.

The Department has permitted the Commonwealth to operate special projects under the legislative history accompanying Public Law 97-35, the law which originally established the nutrition assistance block grant for Puerto Rico. These projects have the purpose of increasing food production, distribution, or usage in order to improve the self-sufficiency and nutritional standards of low-income citizens of Puerto Rico. When the special projects involve areas like agricultural production, both the agency which administers the nutrition assistance program in the Commonwealth and the Food and Nutrition Service in the Federal government must rely on other agencies at their respective levels with agricultural expertise to handle special project responsibilities. The proposed legislative change would simplify communication and negotiation procedures with these other agencies. It would also remove the unnecessary involvement of the central administrative agencies in the technical details of the special projects.

THE OPTIONAL NUTRITION ASSISTANCE GRANT PROGRAM

Section 118 would amend the Food Stamp Act to permit States to elect to operate low-income nutrition assistance grant programs in lieu of the national Food Stamp Program. Currently, only the Commonwealth of Puerto Rico is authorized to operate a nutrition assistance program of its own design in place of the Food Stamp Program. A State exercising its option to operate its own nutrition assistance program would be provided funding equivalent to its administrative grant under Section 115 of this bill for the fiscal year plus the value of benefits issued in the State during the preceding fiscal year adjusted on the basis of changes in food prices and unemployment levels as well as any other factors established by the Secretary. The State could use each year's funds in the year they are provided or the next year.

While States electing to operate nutrition assistance programs would have considerable latitude in designing their programs, they would have to submit a plan for the Secretary's approval. The plans would include assessments of the food and nutrition needs of the States' low-income residents and a description of the assistance to be provided and the people to be assisted. The plans would have to comply with the Secretary's requirements designed to assure that assistance is provided to the States' most needy residents. Each State would be re-

quired to prepare an annual activities report on the expenditures of its nutrition assistance program. Appropriate safeguards against the misuse of grant funds are also provided in the proposal. States would be permitted to consider the value of nutrition assistance grants provided to households as income for purposes of their AFDC programs, just as they are now permitted to consider food stamp allotments as income.

The proposal is offered in order to provide States with the opportunity to experiment with potentially more effective and efficient approaches to nutrition assistance. Since it would be optional, States that do not desire or are not equipped to attempt new program design can continue in the national Food Stamp Program. The proposal offers maximum State flexibility combined with appropriate Federal oversight.

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS

Section 119 would amend Section 4(b) of the Food Stamp Act to require, as a condition of eligibility for the Food Distribution Program on Indian Reservations, social security numbers from participants for purposes of preventing dual participation. Under current rules an regulations, households which are eligible for both the Indian Program and the Food Stamp Program may switch from one program to the other. This change would allow States to check participants' and applicants' social security numbers with food stamp program records in an effort to eliminate the potential for dual participation. Food stamp program applicants must provide each household member's social security number as a condition of eligibility.

JOB TRAINING PARTNERSHIP ACT BENEFITS AS INCOME

Section 120 would amend Section 142(b) of P.L. 97-300, the Job Training Partnership Act of 1982 (JTPA), to include JTPA allowances, earnings, and payments as income for food stamp purposes. JTPA was enacted in October 1982 to replace the Comprehensive Employment and Training Act. JTPA is the central Federal job training legislation. Under JTPA, Federal funding is provided for training unskilled persons and dislocated workers. There are three types of income that JTPA participants may receive: (1) allowances during their training, (2) salaries for JTPA-subsidized jobs performed in conjunction with training, or (3) needs-based payments.

These JTPA stipends are cash income which participating households may use for any purpose, including the purchase of food. Thus, there is no inherent reason for excluding JTPA stipends as income, as currently required. In certain situations, JTPA stipends may replace other income which is fully countable, such as AFDC grants. The proposal would delete the income exclusion for JTPA stipends in order to restore equity to the treatment of households with similar circumstances other than the receipt or nonreceipt of JTPA stipends. The Department of Labor does not collect information on the amount paid as stipends or allowances to JTPA participants. Thus, no information is available on the maximum or average JTPA income a household may receive. Whatever level of income a household does receive under JTPA, it is excluded under current law so that the JTPA household receives a higher food stamp allotment than a similar household with the same income from other sources. Continuation of such an inequity cannot be justified since a household's total income is the basic financial determinant of the amount of food assistance needed.

Also, enactment of the proposal would establish conformity in this area between the Food Stamp Program and the AFDC program, as well as other programs established by the Social Security Act (SSA).

EXTENSION OF THE COMMODITY DISTRIBUTION PROGRAM

Section 121 would amend Section 4(a) of the Agriculture and Consumer Protection Act of 1973 to extend the authority of the Department to operate the Commodity Distribution Program through Fiscal Year 1989. This program includes distribution to institutions, supplemental food programs, disaster areas, summer camps for children, the United States Trust Territory of the Pacific Islands and Indians.

ELIGIBILITY FOR THE COMMODITY DISTRIBUTION PROGRAM FOR SUMMER CAMPS

Section 122 would amend Section 4(b) of the Agriculture and Consumer Protection Act of 1973 to make the eligibility requirements for the Commodity Distribution Program for Summer Camps and the Summer Food Service Program for Children more consistent.

EXTENSION OF THE COMMODITY SUPPLEMENTAL FOOD PROGRAM

Section 123 would amend Section 5(a)(2) of the Agriculture and Consumer Protection Act of 1973 to extend the Department's authority to operate the Commodity Supplemental Food Program through Fiscal Year 1989.

PROHIBITION AGAINST SIMULTANEOUS OPERATION OF THE WIC PROGRAM AND NEW COMMODITY SUPPLEMENTAL FEEDING PROGRAM SITES

Section 124 would amend Section 5(b) of the Agriculture and Consumer Protection Act of 1973 to prohibit the authorization of new Commodity Supplemental Feeding Programs (CSFPs) in areas where WIC programs are in operation. Currently, both programs can operate in the same area, but individuals are barred from participating in both programs. The proposal would eliminate the overlap that can occur when two programs that provide the same basic benefits are offered to the same population. Also, the proposal would eliminate the potential abuse of dual participation and the necessity for having safeguards in place to prevent dual participation.

EFFECTIVE DATES

Section 124 would provide that the effective date for the provisions in Sections 107, 111, 115, 117, 120, 121, 122, 123, and 124 of this bill would be October 1, 1985, with all other provisions becoming effective on dates set by the Secretary.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, April 12, 1985.

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed for the consideration of the Congress is a bill to amend and extend the authorization of the Food Stamp Act of 1977, as amended. Also enclosed is a section-by-section analysis explaining the provisions of the bill.

The bill would authorize the Food Stamp Program through Fiscal Year 1989. It contains two budgetary proposals that support the President's Fiscal Year 1986 Budget by achieving approximately $56 million in savings for Fiscal Year 1986. Both of these proposals are designed to improve Food Stamp Program administration and achieve Federal savings while having no effect on the benefits of low-income households that meet program requirements.

The first budgetary proposal is designed to serve both as a work incentive and as a means of assisting the unemployed to reenter the job market. Under the proposal, States would be required to establish Community Work Experience Programs (CWEPs) which would provide able-bodied food stamp recipients meaningful work experience and a sense of community contribution in return for the assistance they receive. CWEP participants would be required to perform useful public services, fulfilling community needs that otherwise would not be met with existing public resources. A CWEP participation requirement also will deter from food stamp participation those individuals who are able to work but are not inclined to do so. In addition to CWEP, the proposal would amend the work requirements to more closely conform to those in the Aid to Families with Dependent Children Program (AFDC). Finally, the proposal would establish administration of the work requirements, including job search, as a State agency responsibility. Net savings from this proposal would be $16 million in Fiscal Year 1986.

The second budgetary proposal would establish a State administrative grant to replace current Federal funding requirements. For Fiscal Year 1986, overall Federal funding of States' administrative costs would be the same as in Fiscal Year 1985. Beginning with Fiscal Year 1987, the amount would be adjusted to reflect the rate of inflation in the general economy. Similar grant proposals will be submitted for the AFDC and Medicaid programs. The proposal will simplify Federal funding processes and offer States more flexibility for funding administrative costs. The proposal would also curb Federal funding of States' administrative costs which has been unrestrained since 50 percent Federal funding was instituted 10 years ago. It is also estimated to save $40 million in Food Stamp Program costs in Fiscal Year 1986 by freezing administrative funding at the Fiscal Year 1985 level. This proposal is an important part of the Administration's efficiency in government legislative program, which is discussed in detail in "Management of the United States Government: FY 1986" (Executive Office of the President: Office of Management and Budget, 1985).

The remaining proposals of the bill have no budgetary impact in Fiscal Year 1986. They are intended to improve management of the Food Stamp Program and enhance program equity. Among them is a proposal establishing optional nutrition assistance grants. The proposal recognizes that many States are especially attuned to the nutrition needs of their low-income population. These States are eager to design programs tailored to both their citizens' nutrition needs and the States' management resources. Such individually designed and implemented nutrition assistance programs could be expected to result in more efficient delivery of benefits and better services to the needy.

We are confident that you share our hope that reauthorization of such an important program will be accomplished well in advance of September 30, 1985, when the current authorization expires. We remain eager

to work with the Congress to ensure prompt passage of this reauthorization bill.

A similar letter is being sent to the Speaker of the House.

The Office of Management and Budget advises that the enactment of this proposed legislation would be in accord with the program of the President.

Sincerely,

JOHN R. BLOCK,
Secretary.●

By Mrs. KASSEBAUM:

S. 970. A bill to require that fifty-dollar bills bear a portrait of Georgia Neese Clark Gray, the first woman to serve as Treasurer of the United States; to the Committee on Banking, Housing, and Urban Affairs.

LEGISLATION TO REQUIRE THAT FIFTY-DOLLAR BILLS BEAR A PORTRAIT OF GEORGIA NEESE CLARK GRAY

● Mrs. KASSEBAUM. Mr. President, today I am introducing legislation to require that fifty-dollar bills bear a portrait of Georgia Neese Clark Gray, the first woman to serve as Treasurer of the United States. I can think of no more fitting tribute to this remarkable woman.

Georgia was doing double duty as a grain elevator operator and president of the Richland State Bank in Rickland, KS, when she was nominated in June 1949. Her account of joining President Truman in the Oval Office to discuss her appointment is worth retelling:

"Do you know why you're here?" he said. I nodded yes. Then he asked me a penetrating question. "Mrs. Clark can you afford to take this job?" He knew the salary was to say the least, moderate and Washington living high even in those days. But I chose to put a different meaning to his question. "Mr. President, in view of my being the first woman to be nominated, do you think I can afford not to accept?" I held my breath. "No, you cannot" was his reply.

Georgia's experience in Washington did not diminish her willingness to give a hand as needed—no matter how mundane the chore. The August 24, 1950, issue of the Topeka Capital carried a story headlined "Job as Nation's Banker Hasn't Changed Georgia Clark." That article noted that, upon arriving in Richland on vacation, she pitched in to assist with the county fair then in progress. She also sold soda pop at the general store "when she discovered the place was badly in need of an extra hand."

This spirit of service has continued to characterize Georgia's activities. I had the pleasure recently to attend a luncheon honoring her sponsored by the American Business Women's Association. I can report that she is working as vigorously as ever and that she remains an inspiration to all who strive to make a difference.

My legislation is a companion to a measure introduced in the House by Representative ANDY JACOBS, who shares my respect and admiration for Georgia Neese Clark Gray. I urge my colleagues to join in honoring this exceptional woman.

Mr. President, I ask unanimous consent that my bill be printed at this point in the RECORD.

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

S. 970

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That (a) notwithstanding section 5114(b) of title 31, United States Code, all Federal Reserve notes of the denomination of $50 shall bear a portrait of Georgia Neese Clark Gray, the first woman to serve as Treasurer of the United States. The portrait shall be of such design as the Secretary of Treasury may determine.

(b) This Act applies to all such notes printed more than thirty days after the date of enactment of this Act.●

By Mr. STAFFORD (by request):

S. 972. A bill to provide revenues for the Comprehensive Environmental Response, Compensation, and Liability Act of 1980; to the Committee on Finance.

SUPERFUND REVENUE ACT OF 1985

● Mr. STAFFORD. Mr. President, I am today introducing, at the request of the administration, a bill which would amend the Superfund law for the purpose of raising revenues. This bill is one part of the administration's set of proposed amendments to Superfund, which is formally known as the Comprehensive Environmental Response, Compensation, and Liability Act of 1980. I introduced the other amendments on February 22, the day the President transmitted them to the Congress. That bill, S. 494, did not, however, include the revenue-raising provisions. The Committee on Finance has scheduled hearings on the tax aspects of Superfund for April 25 and 26. Therefore, I am introducing this bill to assure that the administration amendments are available for consideration and comment during those hearings.●

By Mr. BENTSEN (for himself, Mr. DANFORTH, Mr. MATSUNAGA, Mr. PRYOR, Mr. BAUCUS, Mr. CHILES, Mr. GORE, and Mr. MELCHER):

S. 973. A bill to amend the Internal Revenue Code of 1954 to provide for an alternative corporate minimum tax in lieu of the present additional corporate minimum tax, to provide a method of reducing corporate tax rates by the amount of such tax, and for other purposes; to the Committee on Finance.

ALTERNATIVE MINIMUM TAX ON CORPORATIONS

● Mr. BENTSEN. Mr. President, last October the organization Citizens for Tax Justice published a report that confirmed what many Americans already knew—that many large corporations in the United States have been earning large profits but not paying Federal income tax. Leading the way was General Electric, which earned $6.5 billion in profits in the 1981–83 period but actually received tax refunds. And we've all seen the reports showing that General Dynamics has not paid tax since 1972 despite earning billions in profits as a defense contractor.

The American public has a right to be offended, and they are offended. Under our tax laws as they now stand, a family with taxable income of $25,000 pays income tax of about $2,500. That's a middle-income family, scraping to pay the mortgage and other bills, and paying Social Security taxes and State taxes. To that family, $2,500 is a very significant amount of tax. And to that family, the idea of large corporations with billions of dollars in profits paying no tax is an outrage. That family can justifiably regard the income tax system as unfair.

I, too, am concerned, Mr. President. Therefore, today I am introducing with my colleagues a bill to ensure that every corporation in the United States pays a fair share of our Nation's tax burden. Under my bill every corporation will have to pay the greater of either its regular tax liability or 15 percent of its economic income—that is, its real profits or its taxable income without its tax preferences.

It is understandable that corporations take advantage of available tax incentives to lower their tax liability. In 1981 the Congress enacted the generous ACRS depreciation schedule to encourage corporations to make investments in new plant and equipment. Corporations such as General Electric are acting within the law by using accelerated depreciation and other tax incentive provisions to reduce their tax liability. And I generally applaud the enactment of ACRS to encourage the modernization of our plant and equipment.

But we must be careful that the sum of all the parts of our tax system does not add up to an unjust whole. Confidence in the Federal income tax has eroded significantly over the last decade. In a 1972 Gallup poll commissioned by the Advisory Committee on Intergovernmental Relations, 19 percent of the respondents picked the Federal income tax as the least fair tax system among four choices that included State income taxes, State sales taxes, and local property taxes. Last year, on the other hand, nearly twice as many respondents—36 percent—picked the Federal income tax as least fair.

We must not let this continue. We must make sure we have a fair tax system. The Federal income tax system is a self-assessment system.

Though we have a variety of penalties and other enforcement mechanisms, the system depends largely on voluntary compliance for its success. In turn, voluntary compliance depends on the existence of a fair system. In my opinion, a system that permits profitable corporations to escape tax altogether is not fair and certainly does not appear to be fair. It simply is not fair when a middle-income taxpayer pays more tax than a giant corporation.

I recognize that enactment of comprehensive tax reform may somewhat ameliorate the problem that my bill addresses; tax reform would do away with many of the deductions and credits that currently permit corporations to avoid tax. But a corporate minimum tax may still be an integral part of tax reform. It is possible that a number of tax preferences will remain after a tax reform bill is enacted and that some profitable corporations will continue to escape taxation. To make sure we have a fair system after a tax reform effort, it is imperative that all profitable corporations be taxpayers.

Moreover, it is not clear at this point what the prospects for tax reform are. It is safe to say that tax reform will have a rough road unless the administration sends up a bill and actively promotes that bill.

I want to make it clear, Mr. President, that the purpose of my bill is not to raise additional revenues for the Government to spend. Rather, the bill directs the Treasury Department to compute reductions in corporate tax rates to offset the additional revenue raised by the minimum tax. What this means is that industries with high effective tax rates will receive a slight tax reduction while companies and industries that have been paying less than a fair share will start paying more.

The bill that I introduce today is designed to be comprehensive but reasonable. For the most part, the bill picks up items of tax preference currently used in the corporate or individual minimum tax or the preference cutback provisions. The bill also picks up some of the statutory earnings and profits rules, which determine whether a corporate distribution is a taxable dividend or a nontaxable return of capital. Other provisions reflect a judgment as to what are tax preferences.

In summary, Mr. President, it is my hope that whatever shape tax reform takes this year, the Congress will above all act to restore fairness to the system. The bill that my colleagues and I introduce today is a step in that direction.

Mr. President, I ask unanimous consent that following my remarks a summary of the bill and the text of the bill be printed in the RECORD.

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

S. 973

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ALTERNATIVE MINIMUM TAX ON CORPORATIONS.

(a) IN GENERAL.—Section 56 of the Internal Revenue Code of 1954 (relating to additional corporate minimum tax) is amended to read as follows:

"SEC. 56. ALTERNATIVE MINIMUM TAX ON CORPORATIONS.

"(a) TAX IMPOSED.—

"(1) IN GENERAL.—A tax is hereby imposed on each corporation in an amount equal to 15 percent of so much of the corporate alternative minimum taxable income of the taxpayer for the taxable year as exceeds $100,000.

"(2) TAX IMPOSED ONLY IF GREATER THAN REGULAR TAX LIABILITY.—A tax shall be imposed by this section on the corporate alternative minimum taxable income of a corporation for any taxable year only if the amount of such tax is greater than the amount of the adjusted regular tax for such year.

"(3) TAX TO BE IN LIEU OF REGULAR TAX.—For purposes of this title, the tax imposed by this section shall be in lieu of the regular tax.

"(b) CORPORATE ALTERNATIVE MINIMUM TAXABLE INCOME.—For purposes of this title, the term 'corporate alternative minimum taxable income' means the taxable income (determined without regard to the deduction allowed by section 172) of the taxpayer for the taxable year—

"(1) reduced by the corporate alternative minimum tax net operating loss deduction provided by subsection (d), and

"(2) increased by an amount equal to the corporate alternative minimum tax preference items.

"(c) CORPORATE ALTERNATIVE MINIMUM TAX PREFERENCE ITEMS.—For purposes of this section, the corporate alternative minimum tax preferences items are:

"(1) CERTAIN ITEMS OF TAX PREFERENCE.—The sum of the amounts determined under the following provisions of section 57(a):

"(1) Paragraph (2) (relating to accelerated depreciation of real property).

"(B) Paragraph (5) (relating to mining exploration and development costs).

"(C) Paragraph (7) (relating to reserves for losses on bad debts of financial institutions).

"(D) Paragraph (8) (relating to depletion).

"(E) Paragraph (11) (relating to intangible drilling costs).

"(2) ACCELERATED COST RECOVERY DEDUCTION; AMORTIZATION OF POLLUTION CONTROL FACILITIES.—

"(A) IN GENERAL.—With respect to each recovery property and each certified pollution control facility for which an election is in effect under section 169, the amount (if any) by which the deduction allowed under section 168(a) or 169, respectively, for the taxable year exceeds the deduction which would have been allowable for the taxable year had the property been depreciated using the straight-line method (without regard to salvage value) and a recovery period determined in accordance with the following table:

"In the case of:	The recovery period is:
3-year property	5 years
5-year property	8 years
10-year property	15 years
15-year utility property	22 years
18-year real property and low-income housing	18 years.

"(B) SUBPARAGRAPH (A) INAPPLICABLE WHERE LONGER RECOVERY PERIODS APPLY.—If, pursuant to section 168(b)(3) or 168(f)(2), the recovery period for any property is longer than the recovery period for such property set forth in subparagraph (A), subparagraph (A) shall not apply to such property.

"(C) CONVENTIONS.—

"(i) IN GENERAL.—In the case of property other than 18-year real property and low-income housing, subparagraph (A) shall be applied by using a half-year convention.

"(iii) 18-YEAR REAL PROPERTY AND LOW-INCOME HOUSING.—In the case of 18-year real property and low-income housing, subparagraph (A) shall be applied by using the conventions under sections 168(b)(2)(B) and 168(b)(4)(B).

"(D) DEFINITIONS.—For purposes of this property, the terms '3-year property', '5-year property', '10-year property', '15-year public utility property,' '18-year real property,' 'low-income housing', and 'recovery property', have the same meanings given such terms by section 168.

"(3) RESEARCH AND EXPERIMENTAL EXPENDITURES.—The excess (if any) of—

"(A) the amount allowed as a deduction under section 174(a) for the taxable year, over

"(B) the amount which would have been allowable as a deduction for such taxable year with respect to research and experimental expenditures paid or incurred during such taxable year if such expenditures had been capitalized and amortized ratably over the 5-year period beginning with the taxable year in which such expenditures were made.

"(4) ITEMS WHICH ARE MORE ACCURATELY TAKEN INTO ACCOUNT TO REFLECT ECONOMIC GAIN OR LOSS.—

"(A) CONSTRUCTION PERIOD CARRYING CHARGES.—The amount allowable as a deduction for the taxable year for construction period carrying charges (as defined in section 312(n)(1)) paid or incurred during such taxable year.

"(B) TRADE NAME AND TRADEMARK EXPENDITURES.—The amount allowable as a deduction for the taxable year under section 177.

"(C) CIRCULATION EXPENDITURES.—The amount allowable as a deduction for the taxable year under section 173.

"(D) ORGANIZATIONAL EXPENDITURES.—The amount allowable as a deduction for the taxable year under section 248.

"(E) COMPLETED CONTRACT METHOD OF ACCOUNTING.—In the case of a taxpayer who uses the completed contract method of accounting, the excess (if any) of—

"(i) the taxable income of such taxpayer for the taxable year if such taxpayer used the percentage of completion method of accounting, over

"(ii) the taxable income of such taxpayer for such taxable year.

"(5) CERTAIN INTEREST EXPENSE.—That portion of the interest expense of the taxpayer for the taxable year which bears the same ratio to the total interest expense allowable as a deduction for the taxable year (determined without regard to this paragraph) as—

"(A) the interest income of the taxpayer which is exempt from taxes for such taxable year, bears to

"(B) the gross income of the taxpayer for such taxable year.

For purposes of this subparagraph, all members of an affiliated group (as defined in section 1504(a) without regard to section 1504(b)) shall be treated as 1 corporation.

"(6) EXEMPT FOREIGN TRADE INCOME.—The amount by which taxable income would be increased if section 923(a) (after application of section 291(a)(4)) were applied with respect to any FSC by substituting—

"(A) 'no portion' for '30 percent', in paragraph (2), and

"(B) 'no portion' for '15/23' in paragraph (3).

"(7) CERTAIN LIFE INSURANCE COMPANY DEDUCTIONS.—The amount allowable as a deduction for the taxable year under subsection (a) or (b) of section 806.

"(8) CERTAIN SHIPPING INCOME.—With respect to any construction reserve fund or capital construction fund established by the taxpayer under sections 511 and 607 of the Merchant Marine Act (46 U.S.C. 1161, 1177), the net increase for such taxable year in the income and capital gain accounts under such funds.

"(d) CORPORATE ALTERNATIVE MINIMUM TAX NET OPERATING LOSS DEDUCTION.—For purposes of this section—

"(1) IN GENERAL.—The term 'corporate alternative minimum tax net operating loss deduction' means the net operating loss deduction under section 172 for the taxable year for purposes of the regular tax, except that in determining the amount of such deduction—

"(A) in the case of taxable years beginning after December 31, 1985, section 172(b)(2) shall be applied by substituting 'corporate alternative minimum taxable income' for 'taxable income' each place it appears, and

"(B) the net operating loss (within the meaning of section 172(c)) for any loss year shall be reduced by the amount of corporate alternative minimum tax preference items arising in such year.

"(e) ELECTION TO MAKE ADJUSTMENTS FOR REGULAR TAX PURPOSES.—

"(1) IN GENERAL.—The taxpayer may elect for any taxable year to have any adjustment required by subsection (b)(2) with respect to any corporate alternative minimum tax preference item arising in such year apply also to such item for regular tax purposes. The treatment of any item with respect to which an election has been made under the preceding sentence shall (for all later years and for purposes of both the regular tax and this section) be consistent with its treatment for the year in which it arises.

"(2) TIME FOR MAKING ELECTION.—Any election under paragraph (1) with respect to any item shall be made not later than the due date (with extensions) for filing the return under this chapter for the taxable year in which such item arose.

"(3) REVOCATION ONLY WITH CONSENT.—Any election under paragraph (1) may be made only in the manner provided by regulations, and may be revoked only with the consent of the Secretary.

"(f) SPECIAL RULES RELATING TO CREDITS.—For purposes of this section—

"(1) CREDITS NOT ALLOWABLE.—For purposes of determining any credit allowable under subpart A, B, or D of part IV of this subchapter (other than the foreign tax credit allowed under section 27(a)), the tax imposed by this section shall not be treated as a tax imposed by this chapter.

"(2) FOREIGN TAX CREDIT ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.—

"(A) DETERMINATION OF FOREIGN TAX CREDIT.—The total amount of the foreign tax credit which may be taken against the tax imposed by subsection (a) shall be determined under subpart A of part III of subchapter N (section 901 and following).

"(B) SECTION 904(A) LIMITATION.—For purposes of the determination provided by subparagraph (A), the limitation of section 904(a) shall be equal to the lesser of such limitation (computed without regard to this section) or an amount which bears the same ratio to the tax imposed by subsection (a) as—

"(i) the taxpayer's corporate alternative minimum taxable income from sources without the United States (but not in excess of the taxpayer's entire corporate alternative minimum taxable income), bears to

"(ii) the taxpayer's entire corporate alternative minimum taxable income.

"(C) DEFINITION OF CORPORATE ALTERNATIVE MINIMUM TAXABLE INCOME FROM SOURCES WITHOUT THE UNITED STATES.—For purposes of subparagraph (B), the term 'corporate alternative minimum taxable income from sources without the United States' means taxable income from sources without the United States, adjusted as provided in paragraphs (1) and (2) of subsection (b) (taking into account in such adjustment only items described in such paragraphs which are properly attributable to items of gross income from sources without the United States).

"(D) SPECIAL RULE FOR APPLYING SECTION 904(C).—In determining the amount of foreign taxes paid or accrued during the taxable year which may be deemed to be paid or accrued in a preceding or succeeding taxable year under section 904(c), the limitation of section 904(a) shall be deemed to be the limitation computed under subparagraph (B) of this paragraph.

"(3) CARRYOVER AND CARRYBACK OF CERTAIN CREDITS.—In the case of any taxable year for which a tax is imposed by this section, for purposes of determining the amount of any carryforward or carryback to any other taxable year of any credit allowable under section 30 or 38, the amount of the credit under section 30(g) or 38(c) (as the case may be) shall be deemed to be—

"(A) the amount of such credit allowable for such taxable year (determined without regard to this paragraph), reduced (but not below zero) by

"(B) the excess, if any, of—

"(i) the regular tax for the taxable year, reduced by the credit allowable under section 27(a), over

"(ii) the tax imposed by this section for the taxable year, reduced by the credit allowable under paragraph (2).

"(g) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) REGULAR TAX.—The term 'regular tax' means the taxes imposed by this chapter for the taxable year (computed without regard to this section and without regard to the taxes imposed by sections 47(a), 531, and 541).

"(2) ADJUSTED REGULAR TAX.—The term 'adjusted regular tax' means, for any taxable year—

"(A) the regular tax, reduced by

"(B) the sum of the credits allowable under subparts A, B, and D of part IV of this subchapter, except the credit allowable under section 27(a).

For purposes of this paragraph, the credits allowable under subparts A, B, and D of part IV shall be computed as if the credit allowable under section 27(a) were also allowable.

"(3) TAXABLE YEAR IN WHICH ITEM ARISES.—In the case of any amount which is taken into account for regular tax purposes in more than 1 taxable year, such amount shall be treated as an item arising in the first taxable year.

"(4) APPLICATION WITH SECTION 291.—The determination of the amount of any corporate alternative minimum tax preference item shall be made after the application of section 291.".

(b) REDUCTIONS IN CORPORATE TAX RATES.—Section 11 of the Internal Revenue Code of 1954 (relating to tax on corporations) is amended by adding at the end thereof the following new subsection:

"(d) REDUCTION IN RATES FOR INCREASES IN CORPORATE MINIMUM TAX.—

"(1) IN GENERAL.—With respect to any taxable year beginning after December 31, 1986, the Secretary shall prescribe rates which shall apply in lieu of the rates contained in subparagraph (B). Such rates shall be designed to—

"(A) reflect a decrease in the amount of the tax imposed by this section on all taxpayers by an amount equal to the excess of—

"(i) the aggregate amount of tax imposed by this section and by section 56 on all taxpayers during taxable years beginning in the preceding calendar year, over

"(ii) the aggregate amount of tax which would have been so imposed for such taxable years by this section and by section 56 if section 56 had been applied as in effect for taxable years beginning in 1985, and

"(B) maintain the differentials in the rate brackets under subsection (b).

"(2) ESTIMATES.—If information is not available to make the determination under paragraph (1)(A), the Secretary shall make an estimate of the taxes imposed (or which would have been imposed) collected and the rates prescribed under paragraph (1) shall be based on such estimate. The Secretary shall adjust the rates for succeeding calendar years for adjustments resulting from information becoming available after an estimate under this paragraph.".

(c) ESTIMATED TAX.—Sections 6154(c)(1) and 6651(f)(1) of the Internal Revenue Code of 1954 (defining tax) are each amended by inserting ", 56," after "section 11".

(d) CONFORMING AMENDMENTS.—

(1) Section 26 of the Internal Revenue Code of 1954 (relating to definition of tax liability) is amended—

(A) by striking out subparagraph (A) of subsection (b)(2) and by redesignating subparagraphs (B) through (H) of subsection (b)(2) as subparagraphs (A) through (G), respectively, and

(B) in subsection (c)—

(i) by inserting "(1)" before "For" and by adding at the end thereof the following new paragraph:

"(2) For treatment of tax imposed by section 56 as tax not imposed by this chapter, see section 56(e).", and

(ii) by striking out the heading and inserting in lieu thereof:

"(c) SPECIAL RULES FOR MINIMUM TAXES.—".

(2) Section 57 of such Code (relating to items of tax preference) is amended—

(A) by striking out the last sentence of subsection (a),

(B) by striking out paragraph (9) of subsection (a) and inserting in lieu thereof:

"(9) CAPITAL GAINS OF TAXPAYERS OTHER THAN CORPORATIONS.—In the case of a taxpayer other than a corporation, an amount equal to the net capital gain deduction for the taxable year, determined under section 1202.", and

(C) by striking out subsections (b) and (e).

(3) Section 58 of such Code (relating to rules for application) is amended—

(A) by striking out "$10,000" in subsection (b) and inserting in lieu thereof "$100,000",

(B) by striking out "respective regular tax deductions (within the meaning of section 56(c))" and inserting in lieu thereof "respective corporate alternative minimum taxable incomes (within the meaning of section 56(b))", and

(C) by striking out subsection (d).

(4) Section 58 of such Code is amended by striking out subsection (f) (relating to regulated investment companies, etc.).

(5) Subsection (g) of section 58 of such Code (relating to tax preferences to foreign sources) is amended to read as follows:

"(g) TAX PREFERENCES ATTRIBUTABLE TO FOREIGN SOURCES.—For purposes of section 56, the corporate alternative minimum tax items set forth in section 56(c) which are attributable to sources within any foreign country or possession of the United States shall be taken into account only to the extent that such items reduce the tax imposed by this chapter (other than the tax imposed by section 56) on income derived from sources within the United States. For purposes of the preceding sentence, the corporate alternative minimum tax items shall be treated as reducing the tax imposed by this chapter before other items.".

(6) Subsection (a)(1) of section 882 of such Code is amended to read as follows:

"(1) IN GENERAL.—A foreign corporation engaged in a trade or business within the United States during the taxable year shall be taxable as provided in section 11, 56, or 1201(a) on its taxable income which is effectively connected with the conduct of a trade or business within the United States.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1985.

CORPORATE ALTERNATIVE MINIMUM TAX

SUMMARY

Rate. The rate would be 15 percent of alternative minimum taxable income (AMTI) above $100,000. A corporation would be liable for the AMT only if its AMT is greater than its regular tax.

Revenue. The bill would be revenue neutral. The bill would direct the Treasury to compute reductions in corporate tax rates sufficient to offset the revenue raised by the minimum tax.

Definition of AMTI. AMTI would equal taxable income with the following modifications:

1. The normal net operating loss deduction would not be allowed. In its place, an alternative tax NOL deduction would be allowed as under the individual AMT. NOLs from all taxable years would be required to be adjusted for tax preferences.

2. Tax preferences would be added back. See list of preferences below.

Credits. Credits would not be allowable, except for the foreign tax credit.

Election out. Corporations would be given the choice to treat any preference item not as a preference. Such an election generally would be irrevocable but would not affect items of tax preference for which the election was not made.

Effective date. The tax would apply to taxable years beginning after 1985.

Preferences. The following preferences would be included in the tax base.

1. ACRS deductions, as under the current individual AMT.

2. Amortization deductions for certified pollution control facilities in excess of E&P depreciation allowance under section 312(k)(3).

3. Financial institution bad debt reserve deductions, in excess of deductions computed on the basis of actual experience, as under the current minimum taxes.

4. Excess of percentage depletion over the adjusted basis of the property, as under the current minimum taxes.

5. Intangible drilling cost deductions, as under the current individual AMT.

6. Excess of mining exploration and development deductions over 10-year amortization deductions, as under the individual AMT and under section 312(n)(2).

7. Deductions for magazine circulation expenses. (Sec. 312(n)(3).

8. Excess of R&D deductions over 5-year amortization deductions.

9. Deferred income of foreign sales corporations, as under the section 291 preference cutback provisions.

10. The special life insurance company deduction—the so-called TIA. (Sec. 806(a)).

11. The small life insurance company deduction. (Sec. 806(b)).

12. Deductions for construction-period interest and taxes, as provided in the E&P rules. (Sec. 312(n)(1)).

13. Amortization deductions for trademark and tradename expenditures. (Sec. 312(n)(3)).

14. Amortization deductions for organizational expenses. (Sec. 312(n)(3)).

15. Income deferred through use of completed contract accounting method instead of percentage of completion method. (Sec. 312(n)(7)).

16. Shipping income exempt under section 607 of the Merchant Marine Act.

17. Interest deductions of a taxpayer earning tax-exempt interest. The preference part would be in the ratio of tax exempt interest earned over all gross receipts earned. The test would be applied on an affiliated group basis.●

● Mr. DANFORTH. Mr. President, I am pleased to join with my colleagues, Senators BENTSEN, BAUCUS, PRYOR, MATSUNAGA, CHILES, GORE, and MELCHER, in introducing a bill to strengthen the corporate minimum tax.

Senator BENTSEN has referred to a report by Citizens for Tax Justice which indicates that in recent years many major corporations reported large and, in some cases, record earnings to their shareholders but paid little or no Federal income taxes. These conclusions are further supported by a "Study of 1983 Effective Tax Rates of Selected Large U.S. Corporations" prepared by the Joint Committee on Taxation. The Joint Committee study, which examined effective tax rates on an industry by industry basis, found that effective corporate tax rates for 1983 ranged from negative 1 to 35 percent.

Many provisions of the Internal Revenue Code were enacted as incentives to encourage taxpayers, corporations, and individuals alike, to engage in certain economic activities. These provisions achieve important social goals by providing tax benefits for desirable behavior. This has the advantage of avoiding direct governmental intervention while still fostering objectives determined to be in the best interests of society as a whole.

Congress clearly did not intend to eliminate the obligation of profitable corporations to pay Federal income taxes. Yet this has been the result in many circumstances.

The bill we are introducing today is designed to ensure that each corporation that is earning economic income pay a reasonable share of that income to the Treasury. This bill will not increase the total amount of tax revenues collected, nor will it alter the amount of income taxes paid by corporations as a percentage of total income taxes collected. Instead, the new alternative minimum corporate tax will increase the amount of taxes paid by those corporations currently paying little or no income taxes and will decrease the amount of taxes paid by other corporations.

It is not acceptable that large corporations pay little or nothing in Federal taxes while reporting substantial earnings to shareholders. Our bill would correct this situation by repealing the existing corporate add-on minimum tax and replacing it with an alternative minimum tax. Generally, the alternative minimum tax will be 15 percent of the sum of the corporation's taxable income, plus approximately 17 items of tax preference.

Mr. President, it is my hope that this bill will result in a more equitable allocation of the corporate tax burden and ensure that all profitable corporations pay a reasonable amount of Federal income taxes.●

● Mr. PRYOR. Mr. President, I'm pleased to join the distinguished Senator from Texas, Mr. BENTSEN, and the distinguished Senator from Missouri, Mr. DANFORTH, in introducing an alternative minimum tax for corporations.

The bill being introduced today, Mr. President, would significantly strengthen the minimum tax provisions in the Internal Revenue Code, as they relate to corporations, by requiring that many more tax preferences be added into the tax base for purposes of computing the alternative minimum tax. Under present law, section 56 of the Tax Code contains an add-on minimum tax of 15 percent by which the amount of certain tax preferences—contained in section 57—exceed the greater of $15,000 or the corporation's regular tax liability for the year. The problem, Mr. President, is that the present corporate minimum tax hasn't worked like it was intended, and it should be tightened. That's what the bill that's being introduced today would accomplish.

It would expand the list of tax preferences, and would require that many

profitable companies that have been escaping the minimum tax provisions under current law, would now have to pay some income taxes.

There is one important point about this bill that should be emphasized, Mr. President. The bill is not a tax increase. The bill directs the Treasury Department to compute reductions in corporate tax rates to offset the additional revenue raised by the new minimum tax. This will result in a tax cut for many companies with high effective tax rates, while at the same time requiring other companies to pay taxes when they haven't been previously.

Mr. President, one of the major problems with our present tax system is the perceived unfairness. Many people and companies rightfully believe that they are having to pay large amounts of income tax, while other people and companies are getting by without paying taxes. This fact has been brought to light for the last few years when tax statistics are released showing that many companies with revenues in the billions, and profits that run into the hundreds of millions of dollars, pay no Federal income tax. That's got to stop. This bill will ensure that it does.

I think a few statistics will show the point very clearly, Mr. President. About 20 years ago 25 percent of the revenue of the Federal Government came from the corporate income tax. In 1983, the corporate income tax raised 6.2 percent of the revenues to the Government. More distressing, is the fact that a recent study found that many major corporations not only paid no income taxes, but received refunds from prior years. Further, some of the companies are major defense contractors who make most of their money from Federal contracts. It just seems, Mr. President, that the very least we can do is ask some of these companies, which are presently paying no taxes, or even receiving a refund, to pay some income tax.

Again, Mr. President, this bill isn't a tax increase. I think the primary advantage of this bill is that it is fair and will show to all taxpayers that profitable companies will pay their fair share, and will not receive huge refunds based on excessive use of existing tax preferences.

I commend the efforts of my two colleagues, Mr. President, and I look forward to working with them in the Senate Finance Committee on this important measure.●

ADDITIONAL COSPONSORS

S. 7

At the request of Mr. CRANSTON, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 7, a bill to amend title XIX of the Social Security Act to provide medicaid coverage for certain low-income pregnant women.

S. 58

At the request of Mr. DANFORTH, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 58, a bill to amend the Internal Revenue Code of 1954 to increase research activities, to foster university research and scientific training, and to encourage the contribution of scientific equipment to institutions of higher education.

S. 174

At the request of Mr. GORE, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 175, a bill to provide for the designation of 20 regional centers for the treatment of Alzheimer's disease and related dementia and for other purposes.

S. 357

At the request of Mr. DURENBERGER, the names of the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from North Dakota [Mr. ANDREWS], and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of S. 357, a bill entitled the "Medicare Part B Premiums Non-smoking Discount."

S. 358

At the request of Mr. DURENBERGER, the names of the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from North Dakota [Mr. ANDREWS], and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of S. 358, a bill entitled the "Part B Prevention Incentive Act."

S. 359

At the request of Mr. DURENBERGER, the names of the Senator from North Dakota [Mr. ANDREWS], the Senator from South Dakota [Mr. PRESSLER], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 359, a bill to provide for medical demonstrations in health promotion and disease prevention.

S. 408

At the request of Mr. WEICKER, the names of the Senator from North Dakota [Mr. ANDREWS], and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of S. 408, a bill to amend the Small Business Act to provide program levels, salary and expense levels, and authorizations for the Small Business Administration's programs for fiscal years 1986, 1987, and 1988, and for other purposes.

S. 425

At the request of Mr. HATCH, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 425, a bill to amend the Public Health Service Act to establish a National Institute of Arthritis and Musculoskeletal and Skin Diseases.

At the request of Mr. GOLDWATER, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 425, supra.

S. 434

At the request of Mr. D'AMATO, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 434, a bill to extend the authorization of the Robert A. Taft Institute Assistance Act.

S. 484

At the request of Mr. HATCH, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of S. 484, a bill to amend the Saccharin Study and Labeling Act.

S. 505

At the request of Mr. DURENBERGER, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 505, a bill entitled the "Maternal and Child Health Preventive Care Amendments of 1985."

S. 538

At the request of Mr. METZENBAUM, the name of the Senator from Montana [Mr. MELCHER], and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of S. 538, a bill to amend the Federal Food, Drug, and Cosmetic Act to provide for warnings concerning the use by children of drugs containing aspirin, and for other purposes.

S. 627

At the request of Mr. DOMENICI, the name of the Senator from Nevada [Mr. LAXALT] was added as a cosponsor of S. 627, a bill to promote and expand the vitality of the U.S. copper industry.

S. 718

At the request of Mr. ROTH, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 718, a bill to amend the Internal Revenue Code of 1954 to repeal the 10-percent additional tax on distributions (other than required distributions) from an individual retirement account.

S. 725

At the request of Mr. BENTSEN, the names of the Senator from Hawaii [Mr. MATSUNAGA], and the Senator from Kentucky [Mr. FORD] were added as cosponsors of S. 725, a bill to authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal years 1986, 1987, 1988, 1989, and 1990.

S. 729

At the request of Mr. DURENBERGER, the names of the Senator from Minnesota [Mr. BOSCHWITZ], and the Senator from Pennsylvania [Mr. HEINZ] were added as cosponsors of S. 729, a bill to amend the Internal Revenue Code of 1954 to make permanent the rules relating to imputed interest and assumption of loans, and for other purposes.

S. 746

At the request of Mr. CHILES, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 746, a bill to require the National Drug Enforcement Policy Board to provide a comprehensive assessment of the designer drug problem and make recommendations to Congress for necessary legislation.

S. 750

At the request of Mr. D'AMATO, the name of the Senator from Montana [Mr. MELCHER] was added as a cosponsor of S. 750, a bill to redesignate the National Institute on Aging as the National Institute on Aging and Alzheimer's Disease, 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.

S. 751

At the request of Mr. D'AMATO, the name of the Senator from Montana [Mr. MELCHER] was added as a cosponsor of S. 751, a bill to provide for Medicare demonstration projects for alternative Medicare benefits for individuals with Alzheimer's disease or a related memory disorder.

S. 752

At the request of Mr. D'AMATO, the name of the Senator from Montana [Mr. MELCHER] was added as a cosponsor of S. 752, a bill to establish in the Department of Health and Human Services a Home Health Care Clearinghouse to provide elderly individuals with a single place where they can obtain complete information on available Federal home health care programs.

S. 753

At the request of Mr. D'AMATO, the name of the Senator from Montana [Mr. MELCHER] was added as a cosponsor of S. 753, a bill to promote the establishment of family support groups for families of victims of Alzhimer's disease or a related memory disorder.

S. 777

At the request of Mr. HEINZ, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of S. 777, a bill to amend the Tax Equity and Fiscal Responsibility Act of 1982 to extend hospice benefits under the Medicare Program for an additional 3 years.

S. 790

At the request of Mrs. HAWKINS, the names of the Senator from Oklahoma [Mr. NICKLES], and the Senator from Texas [Mr. GRAMM] were added as cosponsors of S. 790, a bill to terminate U.S. assistance for Bolivia unless Bolivia eradicates 10 percent of its coca production, and for other purposes.

S. 869

At the request of Mr. MITCHELL, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 869, a bill to provide that the pensions received by retired judges who are assigned to active duty shall not be treated as wages for purposes of the Social Security Act.

S. 874

At the request of Mr. PELL, his name was added as a cosponsor of S. 874, a bill to amend the Internal Revenue Code of 1954 by increasing the Federal excise tax on cigarettes by 16 cents per pack to a permanent 32 cents per pack and by providing that revenues from the additional tax be deposited in the Federal Hospital Insurance Trust Fund under the Social Security Act.

S. 887

At the request of Mr. DOLE, the names of the Senator from Hawaii [Mr. INOUYE] and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 887, a bill to amend the Internal Revenue Code of 1954 to extend the deduction for expenses incurred in connection with the elimination of architectural and transportation barriers for the handicapped and elderly.

SENATE JOINT RESOLUTION 32

At the request of Mr. PRESSLER, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of Senate Joint Resolution 32, a joint resolution to authorize and request the President to designate September 15, 1985, as "Ethnic American Day."

SENATE JOINT RESOLUTION 39

At the request of Mr. GORE, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of Senate Joint Resolution 39, a joint resolution to designate October 26, 1985, as "Mule Appreciation Day."

SENATE JOINT RESOLUTION 40

At the request of Mr. LUGAR, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of Senate Joint Resolution 40, a joint resolution to designate the month of October 1985 as "National Down Syndrome Month."

SENATE JOINT RESOLUTION 51

At the request of Mr. HATCH, the names of the Senator from Oklahoma [Mr. NICKLES], the Senator from Virginia [Mr. TRIBLE], the Senator from Virginia [Mr. WARNER], the Senator from Florida Mrs. HAWKINS], and the Senator from Utah [Mr. GARN] were added as cosponsors of Senate Joint Resolution 51, a joint resolution to designate the week beginning November 24, 1985, as "National Adoption Week."

SENATE JOINT RESOLUTION 57

At the request of Mr. CHILES, the name of the Senator from Indiana [Mr. QUAYLE] was added as a cosponsor of Senate Joint Resolution 57, a joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "Lupus Awareness Week."

SENATE JOINT RESOLUTION 59

At the request of Mr. HATCH, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of Senate Joint Resolution 59, a joint resolution to designate "National Science Week."

SENATE JOINT RESOLUTION 64

At the request of Mr. RIEGLE, the names of the Senator from Nebraska [Mr. EXON], and the Senator from Virginia [Mr. TRIBLE] were added as cosponsors of Senate Joint Resolution 64, a joint resolution to designate the week beginning May 5, 1985, as "National Correctional Officers Week."

SENATE JOINT RESOLUTION 66

At the request of Mr. D'AMATO, the name of the Senator from New Hampshire [Mr. HUMPHREY] was added as a cosponsor of Senate Joint Resolution 66, a joint resolution designating June 14, 1985, as "Baltic Freedom Day."

SENATE JOINT RESOLUTION 83

At the request of Mr. DOLE, the names of the Senator from Alabama [Mr. DENTON], the Senator from Missouri [Mr. EAGLETON], and the Senator from Nebraska [Mr. EXON] were added as cosponsors of Senate Joint Resolution 83, a joint resolution designating the week beginning on May 5, 1985, as "National Asthma and Allergy Awareness Week."

SENATE JOINT RESOLUTION 88

At the request of Mr. LEVIN, the names of the Senator from Oklahoma [Mr. BOREN], the Senator from Indiana [Mr. LUGAR], the Senator from California [Mr. CRANSTON], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Illinois [Mr. SIMON], the Senator from Georgia [Mr. NUNN], the Senator from Florida [Mrs. HAWKINS], and the Senator from Ohio [Mr. METZENBAUM] were added as cosponsors of Senate Joint Resolution 88, a joint resolution to designate the week beginning September 8, 1985, as "National Osteopathic Medicine Week."

SENATE JOINT RESOLUTION 92

At the request of Mr. DENTON, the names of the Senator from Pennsylvania [Mr. SPECTER], and the Senator from Nebraska [Mr. ZORINSKY] were added as cosponsors of Senate Joint Resolution 92, a joint resolution to designate October 1985 as "National Foster Grandparents Month."

SENATE JOINT RESOLUTION 98

At the request of Mr. D'AMATO, the names of the Senator from Texas [Mr. BENTSEN] and the Senator from Oklahoma [Mr. NICKLES] were added as cosponsors of Senate Joint Resolution 98, a joint resolution condemning the passage of Resolution 3379, in the U.N. General Assembly on November 10, 1975, and urging the U.S. Ambassador and U.S. Delegation to take all appropriate actions necessary to erase this shameful resolution from the record of the United Nations.

SENATE JOINT RESOLUTION 101

At the request of Mr. LEVIN, the names of the Senator from Michigan [Mr. RIEGLE], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Massachusetts [Mr. KERRY], the Senator from California [Mr. WILSON], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Illinois [Mr. SIMON], the Senator from Maryland [Mr. SARBANES], and the Senator from Connecticut [Mr. DODD] were added as cosponsors of Senate Joint Resolution 101, a joint resolution to designate April 24, 1985, as "National Day of Remembrance of Man's Inhumanity to Man."

SENATE JOINT RESOLUTION 103

At the request of Mr. PELL, the names of the Senator from Louisiana [Mr. LONG] was added as a cosponsor of Senate Joint Resolution 103, a joint resolution to designate the month of May 1985 as "Very Special Arts U.S.A. Month."

SENATE JOINT RESOLUTION 108

At the request of Mr. WARNER, the names of the Senator from Rhode Island [Mr. CHAFEE], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Nebraska [Mr. EXON], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Oklahoma [Mr. NICKLES], the Senator from Minnesota [Mr. DURENBERGER], the Senator from New Jersey [Mr. BRADLEY], the Senator from Oklahoma [Mr. BOREN], the Senator from Florida [Mr. CHILES], the Senator from Missouri [Mr. DANFORTH], the Senator from Washington [Mr. GORTON], the Senator from Alabama [Mr. DENTON], the Senator from Texas [Mr. BENTSEN], the Senator from Arizona [Mr. DECONCINI], the Senator from Indiana [Mr. LUGAR], the Senator from Mississippi [Mr. COCHRAN], the Senator from Kansas [Mr. DOLE], the Senator from South Carolina [Mr. THURMOND], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Kentucky [Mr. FORD], the Senator from New Hampshire [Mr. RUDMAN], and the Senator from Virginia [Mr. TRIBLE] were added as cosponsors of Senate Joint Resolution 108, a joint resolution authorizing the Secretary of Defense to provide to the Soviet Union, on a reimbursable basis, equipment and services necessary for an improved United States/Soviet direct communication link for crisis control.

SENATE CONCURRENT RESOLUTION 4

At the request of Mr. MOYNIHAN, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of Senate Concurrent Resolution 4, a concurrent resolution calling on the President to appoint a special envoy for northern Ireland.

SENATE CONCURRENT RESOLUTION 14

At the request of Mr. MOYNIHAN, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of Senate Concurrent Resolution 14, a concurrent resolution to express the sense of the Congress that Josef Mengele should be brought to justice.

SENATE CONCURRENT RESOLUTION 22

At the request of Mr. HATCH, the names of the Senator from Pennsylvania [Mr. HEINZ], and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of Senate Concurrent Resolution 22, a concurrent resolution to express the sense of the Congress that sufficient appropriations should be made available for the Job Corps Program in order to maintain it as a viable Federal effort to assist economically disadvantaged youths in obtaining and holding employment and contributing to society.

SENATE RESOLUTION 101

At the request of Mr. WILSON, the names of the Senator from Mississippi [Mr. COCHRAN], the Senator from Nebraska [Mr. ZORINSKY], the Senator from Oklahoma [Mr. NICKLES], and the Senator from Virginia [Mr. TRIBLE] were added as cosponsors of Senate Resolution 101, a resolution to preserve the tax deduction for charitable contributions.

SENATE CONCURRENT RESOLUTION 43—SENSE OF THE CONGRESS THAT ENGLISH IS THE OFFICIAL LANGUAGE OF THE UNITED STATES

Mr. McCLURE submitted the following concurrent resolution; which was referred to the Committee on Labor and Human Resources:

S. CON. RES. 43

Whereas the United States has been and will continue to be enriched by the contributions of immigrants from diverse cultures;

Whereas a common language, English, fosters harmony among our people, promotes political stability, permits the interchange of ideas, encourages societal accord, and unites us as a people committed to freedom and equality;

Whereas the learning of the English language by our Nation's immigrants is vital to their participation in the economic, education, social, and political opportunities of our country; and

Whereas a role of the Congress is supporting the bonds that unite our people, one of the most important of which is the use of the English language: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that

(1) the English language is the official language of the United States; and

(2) no language other than the English language is recognized as the official language of the United States.

● Mr. McCLURE. Mr. President, I am pleased to offer a resolution which expresses the sense of the Congress that English is the official language of the United States.

Diversity and tolerance have always made this country great. As a nation of immigrants, we have had to forge our common commitment to freedom from many backgrounds, philosophies and ideals. The very fact that people from all countries and all walks of life have come to America and worked together for common goals is a testament of our strength.

But, Mr. President, while diversity has helped to make us strong, we must not lose sight of our common bonds. Every nation must have those practices which are shared by all citizens. I believe a common language is one of those practices.

For non-English speaking immigrants, the learning of the English language is the first task to be mastered. This has been true for the last 200 years. I believe we do a grave disservice to immigrants if we allow them to believe they can fully participate in the many opportunities this country offers if they do not learn English. This simply is not true. If a person doesn't have a working knowledge of English, he can't fill out a job application, cannot participate in community affairs, cannot be a good consumer. Not only is the immigrant himself shut out of our society, we as a nation suffer the loss of his contributions. If diversity has made us strong, we must have a means of communication to share that diversity. If I were to move to France tomorrow, how could I possibly expect to be a productive member of that nation if I were to continue speaking only English?

Mr. President, the purpose of this resolution is not to discourage, in any way, the ethic and linguistic differences in this country. I support and encourage the rights of all Americans to preserve their cultural heritages. It is vitally important that we preserve our ability to welcome all people from all nations and learn from them. But I believe this is an entirely different issue from the preservation and promotion of English. Maintaining different cultural ties and traditions does not preclude the necessity to read, write, and speak English.

Our former colleague, Senator S.I. Hayakawa, has been widely quoted on this matter but I think his statements bear repeating. Senator Hayakawa said, ". . . language is a powerful tool. A common language can unify; separate languages can fracture and fragment a society. The American 'melting pot' has succeeded in creating a vibrant new culture among people of many different cultural backgrounds largely because of the widespread use of a common language, English. Learning English has been the primary task of every immigrant group for two centuries. Participation in the common language has rapidly made available to each new group the political and eco-

nomic benefits of American society. Those who have mastered English have overcome the major hurdle to full participation in our democracy."

Mr. President, similar resolutions to this one have passed the Senate on two occasions, most recently on last year's immigration bill. An identical resolution has been submitted in the House by Representative NORM SHUMAY. I urge my Senate colleagues to support this resolution.●

SENATE RESOLUTION 140—URGING A TRADE BOYCOTT AND EMBARGO AGAINST NICARAGUA

Mr. BENTSEN (for himself, Mr. COHEN, and Mrs. KASSEBAUM) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 140

Whereas the government of Nicaragua is supplying arms, ammunition, and training to armed insurgents who are attempting to subvert the democratic governments of neighboring countries in Central America;

Whereas the government of Nicaragua has raised its military strength to a level that is disproportionately larger than that of its neighbors in Central America, thereby posing a threat to them;

Whereas the government of Nicaragua has invited and encouraged the presence of thousands of Cuban and Soviet Bloc military personnel in Nicaragua;

Whereas these actions on the part of the government of Nicaragua are not conducive to the preservation of peace in Central America and are contrary to the interests of the United States and other democratic countries in the Western Hemisphere;

Whereas the United States is one of the largest trading partners of Nicaragua; and

Whereas it is inconsistent not to use the peaceful forces of trade to persuade the government of Nicaragua to demonstrate to the world its intention to exist as a responsible member of the fellowship of nations; Now, therefore, be it

Resolved, That the President of the United States is urged—

(1) to institute a total boycott and embargo of United States trade with Nicaragua;

(2) to call upon the Organization of American States to institute a total trade boycott and embargo of Nicaragua;

(3) to call upon the other countries of the free world not to trade with Nicaragua; and

(4) to maintain the boycott and embargo until the President finds and certifies to the Congress that Nicaragua has—

(A) ceased to threaten its neighbors by supporting armed insurgencies against them;

(B) reduced its military strength to a level commensurate with that of its neighbors, such as Guatemala, Honduras, and El Salvador; and

(C) eliminated the presence of all Soviet Bloc and Cuban military advisors.

● Mr. BENTSEN. Mr. President, today, on behalf of myself and other Members of the Senate, I am submitting a resolution which I believe expresses the sentiment of this body. As the Senate has struggled these past months with the question of releasing to the President the $14 million in funds that we included in the continuing resolution for 1985, I have been impressed by the fact that almost every Member with whom I have spoken, or whose views I have heard expressed, has been of one mind: that there is a fear of what the Government of Nicaragua would do if there were not some type of pressure applied to them in a constant and consistent fashion.

Even Senators who have indicated that they will oppose aid to the Contras have said that we cannot afford to have another Cuba on the mainland; that we cannot afford the consolidation of another Soviet satellite state so close to our own borders. Senators favoring continued aid to the Contras often asked how could we send an unequivocal message to the Sandinistas, one that would not be misinterpreted in the light of how close the Senate vote might be on Contra funding.

Our answer is that there is one course of action that we can all support as a means of demonstrating to the Sandinistas our determination that they cannot continue as they are presently doing. That answer is a trade boycott and embargo, a firm, peaceful expression that we are not going to pursue business as usual with them in the face of their unacceptable behavior.

We would urge through this resolution that the President institute a total trade boycott and embargo against Nicaragua; that he call upon the other members of the Organization of American States to do the same; and that he call upon all of Nicaragua's free world trading partners to similarly stop their trade with Nicaragua. We would urge the President to maintain this boycott and embargo until the Sandinistas do three things: cease supporting armed insurgencies against their neighbors; reduce their military strength to a level commensurate with that of their neighbors; and eliminate the presence of the Cuban and Soviet bloc military advisers in Nicaragua.

Now, this resolution does not address the question of funding for the Contras. That is an entirely different issue, with a set of arguments all its own, many of which have nothing at all to do with the Sandinista government and its actions. I expect the Senate to be closely divided on the issue of Contra funding, and I do not want the Sandinistas to misinterpret our vote and take comfort from it, no matter which way it goes. I do not want the Sandinistas to get the mistaken impression that a majority or near-majority of the U.S. Senate thinks that what they are doing in Nicaragua is just fine and has our complete approval.

No, there are many things that merit the disapproval of us all, and a trade boycott and embargo is one way we can be more nearly unanimous in expressing our disapproval of these actions. Now, just what are the Sandinistas doing that we have a right to object to?

First, they are supporting armed subversion against their neighbors, particularly El Salvador. I am sure that we will be debating tomorrow the specifics of arms flow and arms interdiction and all the evidence for and against it and whether aiding the Contras contributes to the process one way or another. I am not going to argue that point today, except to say that I believe it can be demonstrated conclusively that the Sandinista government is attempting to undermine and destabilize their neighbors by supplying arms, ammunition, or training to insurgent groups there.

Second, Nicaraguan military forces under the Sandinistas have risen to such a high level that they can be used to intimidate their neighbors, simply by their very existence. Since 1981 the Cubans, Soviets, and Soviet bloc countries have supplied Nicaragua with approximately $500 million in arms. The Nicaraguans have a tank force of over 100 T-54 and T-55 Soviet-built tanks, a weapon far superior to anything possessed by any other country in Central America. They have Soviet MI-8 and MI-24 helicopters, first-line aircraft that give the Nicaraguans a capability that no other country in Central American even comes close to. And the Sandinistas have increased the number of men in their regular army to 62,000, compared with only 40,000 in Guatemala, 41,150 in El Salvador, and 17,200 in Honduras. Costa Rica, Nicaragua's neighbor on the south, does not even have an army. So it is obvious just what an intimidating presence Nicaragua can be in Central America.

Finally, there are at the present time some 8,000 Cubans in Nicaragua, or whom some 2,500 to 3,500 are military or security advisors. There are 50 to 75 Soviet military/security advisers there, plus 60 to 80 Bulgarians, and 70 East Germans. This is a substantial Soviet bloc presence that does not bode well for the future and certainly does not square with the Sandinista's statements that they are a nonaligned nation. This is a presence that we should discourage.

Whether we like the contras or not, whether we believe we ought to support them or not, there are compelling reasons for keeping pressure on the Sandinistas. We simply cannot afford to close our eyes to what is going on in Nicaragua, particularly as the actions of the Sandinista government affect our vital interests in this hemisphere and threaten the well-being of our closest friends in the region.

We have illusions about what a trade boycott and embargo will do to Nicaragua. By themselves, economic measures alone will not make Nicaragua behave as a responsible member of the world community; the boycott and embargo will, however, have some economic effect on them, because we are their largest trading partner. I realize that the Sandinistas will eventually be able to get around most of the economic effects of the boycott, but it will cost them to do so, and it will take them time to do so.

There is something much more important at work here, though, and that is what these economic sanctions are all about. What we are doing with this resolution is sending a message to the Sandinistas; a message that even though this Senate may be closely divided on some of the specifics of our policy toward the Government of Nicaragua, we are united in saying that certain of its activities are completely unacceptable to us, and that we are prepared to keep the pressure on for as long as it takes to change their behavior. That is what the trade boycott and embargo are all about and that is why I present this resolution to the Senate today.●

NOTICES OF MOTION TO SUSPEND THE RULE

Mr. DOLE. In accordance with rule V of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend that portion of the rules of the Senate contained in Public Law 98-473, precluding an amendment to Senate Joint Resolution 106, for the purpose of proposing to the bill, Senate Joint Resolution 106, an amendment to be proposed by the majority leader.

Mr. BYRD (for Mr. BENTSEN). In accordance with rule 5 of the Standing Rules of the Senate, I hereby give notice in writing that it is Senator BENTSEN's intention to move to suspend that portion of the rules of the Senate contained in Public Law 98-473, precluding an amendment to Senate Joint Resolution 106, for the purpose of proposing to the bill, Senate Joint Resolution 106, an amemdment.

Mr. HELMS. In accordance with rule 5 of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend that portion of the rules of the Senate contained in Public Law 98-473, precluding an amendment to Senate Joint Resolution 106, for the purpose of proposing to the bill, Senate Joint Resolution 106, an amendment.

Mr. BYRD. In accordance with rule 5 of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend that portion of the rules of the Senate contained in Public Law 98-473, precluding an amendment to Senate Joint Resolution 106, for the purpose of proposing to the bill, Senate Joint Resolution 106, an amendment sponsored by the minority leader.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. DOMENICI. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Energy Research and Development has postponed its hearing previously scheduled for May 16, 1985, on the Department of Energy's Fossil Energy Programs. This hearing has been rescheduled for Monday, June 10, 1985, at 2 p.m. in room SD-366.

In addition, the subcommittee has scheduled a hearing on Thursday, May 16, 1985, to discuss the Department of Energy's report on Congress on emerging clean-coal technologies, which is due to be released on May 1, 1985. This hearing will begin at 2 p.m. in room SD-366.

Those wishing to testify or who wish to submit written statements for the hearing record, for either of the above hearings, should write to the Subcommittee on Energy Research and Development, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510.

For further information regarding these hearings, please contract Mr. Paul Gilman of the subcommittee staff at 202-224-4431.

SUBCOMMITTEE ON ENERGY REGULATION AND CONSERVATION

Mr. NICKLES. Mr. President, for the information of the Senate and the public I am scheduling a public hearing before the Subcommittee on Energy Regulation and Conservation of the Committee on Energy and Natural Resources.

On Monday, May 6, 1985, beginning at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building the subcommittee will hold a hearing on S. 410, a bill to repeal the Commercial and Apartment Conservation Service, and for other purposes.

Those wishing to present oral testimony or submit written statements for the hearing record should write to the Honorable DON NICKLES, Subcommittee on Energy Regulation and Conservation, Committee on Energy and Natural Resources, U.S. Senate Washington, DC 20510. For further information, you may contact Mr. Allen Stayman (202-224-2366) at the above address.

ADDITIONAL STATEMENTS

NATIONAL PROGRAM TO CONQUER ALZHEIMER'S DISEASE

● Mr. METZENBAUM. Mr. President, over the past several years, I have worked closely with an organization as committed and effective as any I have ever been involved with—the Alzheimer's Disease and Related Disorders Association. The families, researchers, and physicians who make up ADRDA have successfully heightened public awareness of this cruel disorder, while providing insight and direction to those of us responsible for public policy in this area.

I am pleased to report that we are making some significant progress in our effort to develop a treatment and a cure for Alzheimer's. However, we are still a long way from the realization of those goals. It is absolutely essential that we maintain our current momentum in this battle, and resist any efforts to reduce the level of resources committed to fighting Alzheimer's disease.

Mr. President, when we think of Alzheimer's disease, we usually think of the cruelties in inflicts upon the elderly. It is true that this disorder is ravaging older Americans at an alarming rate. There is another set of victims, however, that never shows up on a chart or graph. These are the families and loved ones of an Alzheimer's patient—and their suffering is often greater than that of the stricken. We must begin to explore ways to make the lives of these "victims" more livable. I have talked to a great many people who have seen an entire life's savings wiped out in a matter of months. This simply cannot continue to happen.

Mr. President, as I have done in the past, I will not ask to have printed in the RECORD the Alzheimer's Disease and Related Disorders Association's national policy program for this Congress. It is a thoughtful compilation of proposals that would help ease some of the suffering that I have described. I urge every Member to read it carefully as we work to combat and conquer Alzheimer's disease.

The material follows:

NATIONAL PROGRAM TO CONQUER ALZHEIMER'S DISEASE

(Prepared by the Alzheimer's Disease and Related Disorders Association)

I. STRENGTHENING SUPPORT FOR MEDICAL RESEARCH

"Recent advances in brain research have put us in the midst of the most exciting era since the dawn of the space age."—Michael Phelps, Ph.D.; UCLA, Wall Street Journal, 12/19/83.

Although significant advances have been made in understanding the working of the human brain, the cause of Alzheimer's disease is still elusive. New hypotheses are being vigorously tested in a growing number

of investigations. These studies are focusing on etiological factors as diverse as chemical deficiencies, immune dysfunction, slow viruses and unconnected agents, toxins, trauma and genetic abnormalities.

The number of unanswered questions is so great that the federal government must play a substantial role in helping to mount a strong and sustained research effort. The following areas are recommended as promising directions for future research:

Etiology and Pathogenesis

Support and enlarge research in order to enhance understanding of the cause(s) of the progression of Alzheimer's disease. Such research would include attention to the etiological impact of chemical deficiencies in the brain, advancing chronological age, genetic abnormalities, atypical transmissible agents, environmental toxins and trace metals, autoimmune dysfunction, and psychosocial trauma and stressors.

Encourage existing brain tissue banks to include tissue from Alzheimer's disease patients and from age-matched controls; periodically review to ensure an adequate number of such facilities.

Develop animal models of Alzheimer's disease with more precise neuropathologic and biochemical correlates.

Diagnosis

Develop international standardized diagnostic research criteria.

Develop biological and/or behavioral markers for the early detection of Alzheimer's disease.

Undertake longitudinal studies in order to document in a systematic fashion the progression of the disease.

Examine cases of serious discrepancy between degree of cognitive deficit and extent of brain impairment.

Clinical Course

Develop longitudinal assessment instruments capable of reliably measuring behavioral and biological change over multiple points in time.

Investigate factors that hasten or delay the progression of symptomatology.

Examine individual differences and variability in severity, rate of deterioration, duration of illness and capacity for self-care.

Treatment

Develop new treatment agents for the cognitive and other impairments of Alzheimer's disease.

Establish more sensitive measures of cognitive, affective, somatic, and other changes for use in drug outcome studies.

Evaluate the influence of the environment on Alzheimer's disease patients and collect information regarding the range of behavioral plasticity in patients at different stages of the disease.

Epidemiology

Develop standardized diagnostic assessment for Alzheimer's disease that are suitable for use in field studies.

Determine age-specific incidence and prevalence rates of Alzheimer's disease in diverse populations and study the course of illness.

Assess a variety of possible risk factors that may be associated with the development of Alzheimer's disease.

II. PROVIDING FAIR AND EQUITABLE CONSIDERATION UNDER FEDERAL DISABILITY PROGRAMS

The Social Security Administration has national responsibility for the administration of both the Social Security Disability Program (Title II) and the new Supplemental Security Income Program, or SSI (Title XVI). Title II provides coverage for cash benefits to those disabled workers, and their dependents, who have contributed to the social security trust fund through the FICA tax on their earnings. These individuals have an earned right to disability insurance benefits. Title XVI provides for a minimum income level for the needy aged, blind, and disabled who qualify because of financial need rather than an earned right.

Under both programs, the definition of disability is the same—"an inability to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months." The determination as to whether or not an applicant is disabled as defined by law is made by a special disability determination unit in each state.

Current policy is vague

The statutes authorizing disability benefits do not preclude benefit payments to individuals suffering from Alzheimer's disease. However, the guidelines used by claims examiners to determine eligibility are somewhat vague when it comes to Alzheimer's disease and related disorders.

One very typical example of the problem involves a 58 year old woman who was diagnosed with Alzheimer's disease in 1980. Last year, she was denied disability benefits even though the Social Security Administration noted that she has ". . . some difficulty in concentrating and remembering and an inability to travel by yourself."

The disease is not listed among those brain disorders specifically identified in the guidelines. At the present time a determination of disability due to Alzheimer's disease must be made under the "mental disorders" category. Unfortunately, the eligibility criteria under this category do not lend themselves to cases involving Alzheimer's disease. Furthermore, in some areas state laws prohibit the use of certain specific diagnostic tools needed to demonstrate deterioration in intellectual functioning.

The vagueness in regulations and guidelines has led to wide variations from state to state and an uneven policy towards individuals who have a rightful claim to benefits. In some states rulings have made it possible to determine most Alzheimer's patients are disabled, while in others, extremely strict rulings have made it almost impossible to find an Alzheimer's patient to be "significantly impaired."

Among other things, it seems apparent that the serious and debilitating nature of Alzheimer's disease—information that is so readily available to scientists and many physicians—is not being communicated to those who must make the critical, day-to-day eligibility determinations.

Recommendations

1. The federal regulations and guidelines used in evaluating disability claims should be amended so as to recognize the rights of individuals diagnosed as having Alzheimer's disease.

2. A mechanism should be established whereby the most current scientific information available to the National Institutes of Health and the National Institutes of Mental Health is communicated to those responsible for administering disability programs.

3. Federal agencies, working together with medical and scientific community, should devise specific assessment tools that could be uniformly used by examining physicians.

III. MEETING LONG-TERM CARE NEEDS

Long-term care is a growing national concern. Yet, by and large, national public policy overlooks the most pressing needs of this segment of the population, including those individuals suffering from Alzheimer's disease.

The catastrophic costs of long-term care for Alzheimer's patients often are borne almost entirely by their families, since neither Medicare nor most private insurance plans provide coverage. Medicaid offers some assistance for nursing home costs, but only after families have spent down to poverty in order to qualify.

While the population of Alzheimer's patients is not exclusively aged (more than 60,000 victims are in their forties and fifties), the vast majority are over age 65 and in serious need of assistance, including: Around-the-clock supervision; medical assistance; personal care (eating, bathing, dressing, tileting); mobility assistance; household assistance (metal preparation, housekeeping).

While most families are likely to encounter difficulties coping with long-term medical care costs, those difficulties are far more pronounced for the elderly. Most frequently, the long-term care needs of an Alzheimer's victim arise at a time when the family's economic and social resources are dwindling—oftentimes after savings, other assets, and pensions are nearly exhausted. Of course, the problems are particularly serious for the large number of victims who have no family or friends to care for them.

Compounding the problem for families is the fact that what little assistance is available is biased toward institutionalized care. The fact is that about two-thirds of the Alzheimer's victims with families are cared for in the home; only when the disease is in its final stages are families likely to turn to nursing homes for help. Even then, families of Alzheimer's victims are likely to encounter problems with access, as many nursing homes prefer short-stay, Medicare or privately insured patients.

Finally, the needs of families are virtually ignored by our system of social protections. No provision is made for the needs of the spouse who is caring for an Alzheimer's victim, including home health care, adult day care, and periodic respite care to help fortify the health and well-being of the care giver.

Given this myriad of problems, it is recommended that an integrated long-term continuum of care be provided for victims of Alzheimer's disease. Toward this end, the following actions are recommended.

Recommendations

1. Medicare coverage should be extended to cover the costs associated with caring (at home or in a nursing home) for victims of Alzheimer's disease.

2. Greater emphasis should be placed on research studies and demonstrations to explore alternative health care delivery for Alzheimer's victims.

3. Victims, families, and care givers should be afforded a full range of home care services, including adult day care, respite care, homemaker, and nutrition services. (See also Section IV, Provision of Respite Care Services.)

4. Families and care givers should be permitted a tax deduction or refundable tax credit for the special added costs associated with caring for an Alzheimer's victim at home. (See also Section V, Incentives for Home Care.)

5. Private insurers should be encouraged to develop reasonable cost insurance plans that cover Alzheimer's disease.

IV. PROVISION OF RESPITE CARE SERVICES TO FAMILIES

While most Alzheimer's families prefer to care for their loved one in the home, several studies [1] have reported on the problems experienced by the care giver; namely, emotional stress, loss of freedom, isolation, illness and financial strain. Given the demands for around-the-clock care and supervision, most family care givers are in desperate need of some relief, if only a chance to get away for a few hours.

Responding to the needs of the Alzheimer's families, Congress last year passed legislation which begins to address the issue of support services. Specifically, (a) the 1985 Labor-Health and Human Services Appropriations bill instructs the Administration on Aging to work with the Alzheimer's Disease and Related Disorders Association (ADRDA) and other groups in meeting local needs for respite care services, as well as develop a nationwide effort for providing respite; and (b) the Older Americans Act Amendments of 1984 sets aside funding to support local model projects to provide Alzheimer's disease families with a range of support services, including respite care, day care, and in-home health services.

Recommendation

1. That the Administration on Aging launch a nationwide effort to meet the respite care needs of Alzheimer's families, and that the Alzheimer's Disease and Related Disorders Association be invited to participate in this effort.

2. That the Administration on Aging, in fiscal year 1986, begin to carry out the mandate of the 1984 Amendments by funding local model projects for respite care, day care, and in-home services.

V. INCENTIVES FOR HOME CARE

The financial hardships of a family who has been touched by Alzheimer's disease is staggering. Around-the-clock care of an Alzheimer's victim can cost a family over $30,000 per year. Many families virtually deplete their life savings, and eventually become dependent upon government programs for financial assistance.

The Alzheimer's Disease and Related Disorders Association believes that a national policy should be formulated which encourages families to care for their loved ones afflicted with Alzheimer's disease in the home. We find this to be the health care preference of a majority of our families. Moreover, such an approach offers a most effective way to reduce health care costs at the public level. (According to a 1984 analysis by the Education and Public Welfare Division of the Library of Congress, expenditures for nursing home costs are expected to grow from $27.3 billion in 1982 to a level of $67.1 billion by 1990.)

Recommendation

That families be allowed a tax deduction or refundable tax credit for expenses, other than medical expenses, incurred for the caring of Alzheimer's victims in the home.

VI. ESTABLISHING A CONSISTENT POLICY TOWARD VETERANS

The Veterans' Administration (VA) currently has no consistent policy with respect to veterans with Alzheimer's disease. This has resulted in uneven, some believe unfair, treatment of veterans. Some victims of the disease are admitted to VA medical facilities, while others are denied admission or referred to other state or private agencies. In some instances, veterans are being forced to leave VA facilities or are being "out-placed", thereby disrupting their care and placing even greater strain on the family.

The problem threatens to become even more serious as far greater numbers of veterans enter the vulnerable over-65 age bracket. (At present there are 3.3 million veterans age 65 and over; by 1995, that segment of the population will grow to over 8 million.)

Recommendations

1. The Veterans' Administration should institute a fair and consistent national policy toward veterans with Alzheimer's disease. Guidelines governing the care and treatment of Alzheimer's patients are long overdue.

2. Local VA medical facilities should provide Alzheimer's disease screening, counseling, and treatment programs for veterans, their families, and care givers.

3. Recognizing that Alzheimer's disease can strike persons at a younger age, the eligibility requirements for veterans diagnosed with Alzheimer's disease should be lowered to age 50.

4. Model and/or innovative programs, e.g. adult day health care, should take into account the needs of a growing number of veterans with Alzheimer's disease and related disorders.

5. Support should be expanded for the VA's network of Geriatric Research, Education, and Clinical Centers (GRECC) program. Priority emphasis should be placed on activities involving Alzheimer's disease and related disorders.

VII. MEETING TRAINING NEEDS

Currently, very little training from either a research or a clinical perspective focuses exclusively on Alzheimer's disease.

Research

Despite increased awareness of the extent and burden of dementia in the elderly and despite very promising progress in research in recent years, considerable growth is needed in programs designed to train investigators and academic leaders in this field. A serious shortage of persons trained and committed to research and teaching in all aspects of dementia is well documented, and there are too few settings in the nation with sufficiently qualified faculty to train the needed investigators.

Recommendations

1. Provide support for career development for faculty/investigators capable of proceeding more independently in education and research relevant to Alzheimer's disease.

2. Increase the number of National Research Services Awards in the field of neuroscience, in particular those focused on Alzheimer's disease.

Clinical Training

A growing understanding of improved treatment, care, and management of Alzheimer's disease requires a reevaluation of clinical training needs and opportunities.

The specific areas requiring attention are: Development of a training curriculum specifically targeted to treating persons with Alzheimer's disease and to providing consultation to other service providers working with Alzheimer's disease patients.

Attention to Alzheimer's disease in the basic training of clinical care providers potentially involved in the treatment of these patients (e.g., physicians, psychologists, nurses, social workers, etc.)

Continuing education for those clinicians already in the field.

Training focused on special population needs, such as the poor and minorities with Alzheimer's disease.

VIII. PROMOTING EDUCATION AND AWARENESS

There exists a fundamental need for education and understanding at all levels—from the families and physicians to government officials, life insurance companies, and administrators of pension benefit funds. Only through greater awareness can we hope to change public attitudes toward Alzheimer's and other diseases of the mind.

Recommendations

1. The federal government should continue to designate the month of November as National Alzheimer's Disease Awareness Month.

2. The Alzheimer's Disease and Related Disorders Association (ADRDA) will sponsor educational forums and disseminate information for both lay and professional people regarding the disease.

3. Throughout the year, ADRDA will continue to advise government agencies of the needs of those afflicted with the disease, as well as support research aimed at finding the cause and cure for Alzheimer's disease.

4. The ADRDA will continue to work with other national organizations where there is a shared concern for Alzheimer's victims and their families.●

[1] Archbold, 1982, 1981; Crossman, 1981; Fengler and Goodrich, 1979; Sanford 1975.

THE 20TH ANNIVERSARY OF WINS RADIO

● Mr. D'AMATO. Mr. President, it was 20 years ago, April 19, 1965, that 1010 WINS radio became an all-news station in New York City, the first one to successfully do so in the Nation. As a station emerging from a top forties rock and roll background, some considered this to be a dubious endeavor indeed. However, on November 9 and 10, 1965, when the infamous blackout of 1965 occurred, WINS made its mark on the tristate area by providing information that comforted many people throughout that darkened period—1010 radio's hallmark efforts in 1965 solidified its position in broadcast journalism for two decades to come. For its innovative leadership in this field, I rise in recognition of the example WINS has displayed and in recognition of the many other stations who have joined the ranks of all-news broadcasters.

What makes WINS' broadcasts so significant is the contribution they make to the journalistic tradition. As the leaders of the free world, we depend heavily on our ever-present news network. Without this information we would be unable to have an informed electorate that is the foundation of our democracy: we would face the risk to freedom that occurs in nations where secrecy is the rule and journalism is just another word for propaganda.

Around the clock news service is an idea that has come of age in our busy society where individuals want to be informed, but they are not always able to stop and listen to the news. This concept demonstrates a willingness on the part of media organizations to program for the convenience of their audience—not the other way around. I praise WINS radio's efforts and hope that they remain a public service for many years to come.

Mr. President, thank you.●

SOUTH HEMPSTEAD FIRE DEPARTMENT'S 80TH ANNIVERSARY

● Mr. D'AMATO. Mr. President, I rise today to recognize 80 years of dedicated service by the South Hempstead Fire Department.

The professionalism that they have shown in the performance of their duty has earned them the respect and admiration of their community. Since 1905, the South Hempstead Fire Department has unselfishly protected the lives and property of the residents of their town.

As a volunteer fireman myself, I take special pride in these citizens who risk their lives in the service of others. All of us are aware of how frightening a fire in one's home can be. Thanks to the heroic efforts of these individuals, ready to respond at any hour of the day or night, the residents of South Hempstead can sleep peacefully.

I join many members of the South Hempstead community in commending these volunteers for their courage, dedication, and unswerving loyalty. Mr. President, I thank you for allowing me this opportunity to salute these individuals who make it possible for us to function safely and without fear in our daily lives.●

CONGRESS: ESSENTIAL INGREDIENT IN A SOUND FOREIGN POLICY

● Mr. NUNN. Mr. President, our distinguished colleague from Arkansas, Senator BUMPERS, has written an excellent article which appears in the winter/spring 1985 edition of the Sais Review, volume 5, number 1, published by Johns Hopkins University.

The article is entitled: "Congress: Essential Ingredient in a Sound Foreign Policy." That is a proposition with which all Members of this body would agree. But all too often, Congress is not given a chance to play its proper role.

Congress can be a very constructive voice in the formulation of foreign policy. I have just had the opportunity of participating in an excellent example of congressional executive cooperation in foreign policy. I am speaking, of course, of the Senate observer group to the Geneva arms control negotiations.

Our distinguished minority leader, Senator BYRD, had great wisdom in proposing the idea of the Senate observer group. And the President and Secretary of State demonstrated similar wisdom in recognizing the need for Members of Congress to be part of the process of these vitally important negotiations.

But such cooperations is too infrequently the case. More often we in the Congress find ourselves in confrontation with the executive branch. That should not be the case. As Senator BUMPERS' article points out, the Founding Fathers clearly intended that the Congress should play an active role in the formulation of our foreign policy. The President and the Secretary of State are charged with the execution of that policy, but it is our duty to ensure that the foreign policy of this country reflects the values and goals of the American people.

There is, of course, a natural tension between the executive branch and the Congress with regard to the proper role that we should play in the formulation of foreign policy. But we must never forget, and we must never let the President forget, that in a democracy the only foreign policy that works is a foreign policy that enjoys broad support among the people. Time and time again we have seen foreign policies fail which lacked that support.

Senator BUMPERS' article does an excellent job of reviewing the constitutional history of the role of Congress in foreign policy. I urge all Senators to study carefully his article. I do not necessarily agree with all of the analyses and recommendations that he makes. Nevertheless, Senator BUMPERS, who is one of our most thoughtful colleagues, has prepared an excellent analysis of these difficult issues. It deserves careful consideration by the Congress, by policymakers in the administration, and by all concerned Americans. I sincerely hope that it leads to a greater concerned Americans. I sincerely hope that it leads to a greater degree of cooperation between the President and the Congress in the fields of foreign and defense policy.

It is a great pleasure to ask that the text of Senator BUMPERS' article be inserted in the RECORD at this point.

The article follows:

CONGRESS: ESSENTIAL INGREDIENT IN A SOUND FOREIGN POLICY

(By Dale Bumpers)

(Senator Dale Bumpers (D-Ark.) was governor of Arkansas from 1970 to 1974 and has represented Arkansas in the United States Senate since 1974. He is a member of the Appropriations and Energy committees and has been actively involved in nuclear disarmament and other defense and foreign policy issues.)

In the last two years there has been renewed skirmishing in the long-running philosophical war over the proper role of Congress in the making of U.S. foreign policy, a conflict that first began shortly after the ink was dry on our Constitution. This past spring Secretary of State George P. Shultz told a Senate subcommittee:

This issue of how the Congress and the executive branch should interact in the field of foreign affairs . . . is an extremely important issue, and whether you think it is in the right place or not now, it has moved in recent years in the congressional direction. It seems to me in some of our recent experience we could see some of the downside of that.[1]

A few days later Secretary Shultz questioned the constitutionality of the 1973 War Powers Act and complained that the administration's ability to control its foreign policy had been "constantly undercut" by congressional meddling. This charge was also echoed by President Reagan.[2]

Three days after the remaining troops of the U.S. Marine peacekeeping force left Lebanese soil, Secretary Shultz questioned the value of the debate of Lebanon under the War Powers Act, stating that it "totally took the rug out from under our diplomatic effort."[3] This verbal fusillade came at a time of increasing congressional concern over U.S. involvement in both Lebanon and Central America. While the executive branch's recent chafing over congressional attempts to modify certain aspects of U.S. foreign policy is understandable, it is seriously misguided in terms of both Congress's constitutionally mandated role and historical experience.

Of the many strengths this country enjoys, one of the most subtle, yet significant, is that the Founding Fathers understood the value of weaving creative tension into the fabric of our government. The system of checks and balances within our government is one of the most significant features of the Constitution. The Founding Fathers gave us a system that, by design, does not have the efficiency enjoyed by more authoritative governments, but neither does it allow the monstrous excesses that such governments often create.

Although the role of Congress concerning domestic policy matters in the executive branch is widely accepted, it is much more controversial in the area of foreign policy. This duality of views reached its peak a year ago when, with substantial public support, congressional pressure played a major role in the resignations of James Watt from the Department of the Interior and Anne Burford from the Environmental Protection Agency. At the same time, the insistence of Congress in applying the War Powers Act to the presence of U.S. troops in Lebanon was attacked in no small part because the president succeeded in convincing many that Congress had no business meddling in the

[1] Hearings, Subcommittee of the Committee on Appropriations, Departments of Commerce, Justice, and State, the Judiciary and Related Agencies Appropriations for Fiscal Year 1985, Wednesday, 28 March 1984, 17.

[2] Secretary of State George P. Shultz, as quoted in the *New York Times*, 3 April 1984, A6. At about the same time, President Reagan said the Lebanon debate had set back U.S. attempts to help negotiate a political solution in Lebanon, and that calls for the withdrawal of our Marines had "hindered the ability of our diplomats to negotiate, encouraged more intransigence from the Syrians and prolonged the violence." *New York Times*, 8 April 1984, sec. 4, 1.

[3] Secretary of State George P. Shultz, as quoted by Ellen C. Collier in "War Powers Resolution: Presidential Compliance," Congressional Research Service Issue Brief 1BS1050 (Updated 16 April 1984), 3.

matter. Incidentally, the president has not been as successful in swaying public opinion on his Central American policies.

Contrary to the criticism of those who believe that Congress too often stands in the way of an effective foreign policy, the Constitution requires that Congress have an essential role in a successful U.S. foreign policy. The fundamental problem in the U.S. foreign policy process is that flawed policies are allowed to continue. Attacks on congressional "interference" fail to recognize that such "interference" is usually symptomatic of a deeper defect in the policies themselves, and is not in itself the problem.

In fact, the record shows that Congress is usually slow to act, if it acts at all, in restricting presidential flexibility in foreign policy. A large part of the problem is that Congress has not adequately exercised the powers given to it by the Constitution until fairly recently, and now the executive branch is understandably uncomfortable with this change in the status quo. A strong foreign policy process should combine sound policies with the flexibility to adjust them, based on feedback from Congress, our allies, and the executive branch itself.

What is Congress's constitutional role in foreign policy? Under the Constitution, Congress can influence U.S. foreign policy in four major ways: its appropriation powers (the "power of the purse"); its ability to pass laws governing the actions of government employees and the public at large; its war-making powers; and its treaty-ratification powers, most of which is stated in Article I, section 8 of the Constitution. By contrast, the powers of the executive branch are more briefly stated in Article II: the "executive power shall be vested in a president." The president is admonished to "take care that the laws be faithfully executed" and, of course, is designated "commander in chief of the army and navy of the United States." While the words of the Constitution do not draw a sharply defined line between the powers of Congress and the president, they certainly demonstrate that Congress should play a significant role in foreign policy, particularly where military matters are concerned.

During the past few decades an unfortunate but natural tendency has been for the executive branch to interpret the president's role as commander in chief as a kind of constitutional blank check. Accordingly, the Constitution is seen as empowering the president to be the chief military officer responsible for determining not only the use of U.S. forces in the course of a conflict, but also whether such forces are to be used at all. The role of Congress is to acquiesce in whatever action the president takes.

Authoritative sources sharply dispute this thesis and underscore the major role that the Founding Fathers intended for Congress to play in the war powers issue. In 1788 Alexander Hamilton clarified the president's role as commander in chief as:

> nominally the same with that of the King of Great Britain, but in substance much inferior to it. It would amount to nothing more than the supreme command and direction of the military and naval forces, as first General and Admiral of the confederacy; while that of the British King extends to the *declaring* of war and to the *raising* and *regulating* of fleets and armies; all which by the Constitution under consideration would appertain to the Legislature.[4]

The idea that the role of commander in chief is not as powerful as today's executive branch goes back at least to the beginnings of the American Revolution. When the Continental Congress designated George Washington as commander in chief of American forces in 1775, he was told:

> You are to regulate your conduct in every respect by the rules and discipline of war (as herewith given you) and punctually to observe and follow such orders and directions from time to time as you shall receive from this or a future congress of these United Colonies, or a committee of congress, for that purpose appointed.[5]

Thus, the commander in chief was subordinate to the Continental Congress, an interpretation that influenced Hamilton and other Founding Fathers.

Thomas Jefferson also spoke clearly about the leading role played by Congress in committing U.S. forces to combat situations:

> We have already given . . . one effectual check to the dog of war by transferring the power of letting him loose from the Executive to the Legislative body, from those who are to spend to those who are to pay.[6]

Further evidence that the Founding Fathers intended Congress to have the final say in the use of U.S. forces comes from the fact that the Constitutional Convention had at first given Congress the power to "make" war, but then changed the wording to "declare" war. According to James Madison, he and Elbridge Gerry moved to make this change only to provide for a very special circumstance: "leaving to the Executive the power to repel sudden attacks." [7]

Why did the Founding Fathers have this strong desire to keep the question of war away from the presidency? Their keen sense of history, especially of the wars that had plagued Europe for centuries, has much to do with it, as James Madison alludes to in a letter to Jefferson:

> The Constitution supposes what the History of all Governments demonstrates, that the Executive is the branch of power most interested in war, and most prone to it. It has accordingly with studied care vested the question of war in the Legislative [branch]. . . .[8]

Some have argued that the Monroe Doctrine provided a precedent for the use of U.S forces by a president without congressional approval. President Monroe, through his Secretary of the State John Quincy Adams, responded in 1824 to an inquiry from Colombia about possible military moves under the Monroe Doctrine by saying "that by the Constitution of the United States, the ultimate decision of this question belongs to the Legislative Department of government." [9]

Thus, by the power of the purse and constitutional wording and intent, Congress has substantial authority in committing U.S. forces to conflict and in the foreign policy process more generally. In the last few decades presidents have overstepped their authority and have actually usurped some of Congress's constitutionally prescribed powers. Recently, congressional moves to reclaim some of the powers it had let slip away over the years, especially in the area of war powers, are long overdue.

During the nineteenth century the president used U.S. troops without congressional authority to suppress piracy, prevent slave trade by American ships, pursue criminals across frontiers, and protect American lives and property in backward areas or regions where government control had broken down. This kind of limited use of force without congressional authorization, but also without initiation of hostilities against foreign governments, was an accepted practice and was tacitly sanctioned by the Constitution. Although few presidents—Polk, Grant, and McKinley—interpreted their powers broadly, others, including Presidents Buchanan and Cleveland, were scrupulously deferential to the war power of Congress. In the twentieth century, the use of troops against sovereign nations without congressional authorization became common practice. Presidents Theodore Roosevelt, Robert Taft, and Woodrow Wilson used their powers to engage in military action against sovereign states, thereby expanding the scope of executive power over the use of armed forces. The Congress of that era did not oppose these unconstitutional acts. In 1941 President Franklin D. Roosevelt committed American forces to the defense of Greenland and Iceland and authorized American naval vessels to escort convoys to Iceland provided that at least one ship in each convoy flew the American or Icelandic flag. By the time Germany and Italy declared war—in the wake of the Japanese attack on Pearl Harbor—President Roosevelt had already committed the United States to an undeclared naval war in the Atlantic.[10]

This trend continued and developed during the Truman, Eisenhower, Kennedy, and Johnson administrations. It became widely believed that the president, in his capacity as commander in chief, had the authority to use the armed forces in any way deemed necessary. In 1950 President Truman committed forces to Korea without congressional authorization and made no public explanation of his use of the war power. A Department of State bulletin, however, asserted that there existed a traditional power of the president to sue the armed forces of the United States without consulting Congress,[11] a right that had never been claimed by previous presidents, but whose explanation would be heard again in later administrations.

In the case of the 1954 Formosa Resolution, President Eisenhower asked for authorization rather than mere approval of support. Under the resolution adopted by Congress the president was "authorized to employ the armed forces." Later resolutions involving the use of armed force abandoned the authorization principle. The Middle East Resolution of 1957, the Cuba Resolution of 1962, and the Gulf of Tonkin Resolution of 1964 dropped the concept of congres-

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[4] Jacob F. Cooks, ed., *The Federalist*, No. 69, Alexander Hamilton (Cleveland: World Publishing Co., 1961), 465.

[5] *Public Interest Report*, journal of the Federation of American Scientists (September 1984): 3.

[6] Cited in Jacob K. Javits, "The War Powers Resolution and The Constitution: A Special Introduction," from *The President's War Powers*, Demetrios Caraley, ed. (New York: The Academy of Political Science, 1984), 2.

[7] Gerald Gunther, *Cases and Materials on Constitutional Law*, tenth ed., (Mineola, N.Y.: The Foundation Press, 1980), 418.

[8] Letter from James Madison to Thomas Jefferson, 2 April 1798, cited in *Public Interest Report*, op. cit., 4.

[9] Cited by Senator Robert Byrd, in *Congressional Record*, 14 September 1983, S12171.

[10] Gerald Gunther, op. cit., 418–19.

[11] Ibid., 419.

sional authorization and used terminology that seemed to accept the view that the president already had the power to use armed forces in the ways proposed.[12]

The war-powers role of Congress probably reached its lowest ebb when Congress abdicated its constitutional responsibility regarding the commitment of troops in Vietnam. The Gulf of Tonkin Resolution was, in essence, a blank check with which Congress ceded its responsibilities to an extraordinarily popular president (at that time), who, in the summer of 1964, was pledging to keep U.S. troops out of the localized conflict.

The Gulf of Tonkin Resolution was couched in very broad terms. It did not find it necessary to authorize the action of the president, stating instead: "Congress approves and supports the determination of the President, as commander in chief, to take all necessary measures to repel any armed attack." It went on to say that "the United States is, therefore, prepared, as the President determines, to take all necessary steps, including the use of armed force." The resolution was to expire only "when the President shall determine that the peace and security of the area is reasonably assured."

In 1973, after the Vietnam ceasefire had been negotiated, the Case-Church amendment stated that no appropriations, past or future, could be used to finance the involvement of American forces in Indochina "unless specifically authorized" by Congress. The Case-Church amendment was adopted by the Senate in June 1983. In the same month, Congress took final action on an amendment cutting off all funds for American combat activities in Cambodia and Laos, in response to ongoing American bombing in Cambodia. President Nixon vetoed that provision but signed a compromise on July 1, 1973, with a fund-cutoff provision dated August 15. Later President Nixon agreed to seek congressional authorization for any military action in Indochina. A lasting outcome of Vietnam—and of the Watergate scandal that followed so closely on its heels—was the drastic loss of trust in the executive branch by both Congress and the public at large. Trust, like integrity, is easily lost and only slowly regained. Even today that trust has not been restored. As a result, nine years after the Gulf of Tonkin—years in which the country endured the trauma of costly and ultimately unsuccessful conflict—Congress in 1973 passed the War Powers Act, after it overrode President Nixon's predictable veto.

In rediscovering the wisdom of the Founding Fathers that no president should be entrusted with the power to decide when to go to war, Congress sought through this legislation to circumscribe the president's authority to use U.S. forces abroad without congressional authorization. However, in the same spirit that moved Madison and Gerry to change the phrase "make war" to "declare war" in the Constitution, Congress provided sufficient flexibility to deal with emergencies and other situations where quick response is necessary.

Briefly, the War Powers Act requires the president to consult whenever possible with Congress before sending U.S. forces into hostile situations, and to continue consultation for as long as the forces remain. Of particular importance is the requirement that the president notify Congress within forty-eight hours whenever U.S. troops enter a combat zone or face imminent hostilities. The troops must be withdrawn within sixty days unless Congress authorizes their continued presence in the area. The sixty days can be extended for thirty more days by the President if he certifies the need to do so.

The charge that the War Powers Act was in effect an assault on presidential power is to some extent true, but it came only after repeated and successful assaults on congressional power by the executive branch over the years. The assaults gave rise to what Senator Jacob Javits, the chief sponsor of the legislation called "an age of undeclared war, which has meant Presidential war."[13]

Executive-branch opposition to the War Powers Act was and is understandable, since it does restrict presidential prerogatives to some extent. Yet the constitutional case for a strong legislative role in the decision to commit U.S. forces is compelling. In fact, the real trouble some critics have is probably not so much with Congress as it is with the Constitution and the Founding Fathers.

The enactment of the War Powers Act did not, however, herald a new age of activism by Congress, yet it provided an important tool for doing so. It would be ten years before the Act would be used to require congressional authorization for U.S. troops to remain abroad. At the same time, it did not shackle the president's ability to act in emergencies, as both the 1975 Mayaguez incident and the 1980 Iran hostage rescue attempt demonstrate.

The only major thrust against executive power in foreign policy made by Congress in this period was Congress's cutoff of funding for pro-Western guerrillas in Angola in 1975, which was bitterly critisized by Secretary Kissinger and others at the time. Even that show of backbone by Congress was due mostly to the intense memories of Vietnam that were still fresh. Congress has only now begun to act decisively in the somewhat similar situation of Nicaragua after several years of support for covert activities.

The first real confrontation between Congress and the executive branch over war powers occurred over Lebanon, a decade after the act was passed. Even here, the issue did not really arise until almost one year after U.S. troops had been introduced there without so much as a "by your leave" to Congress. This further illustrates that Congress is not usually seeking excuses to tie the president' hands. While many senators such as Henry Jackson and Barry Goldwater objected to the introduction of U.S. troops into Lebanon, Congress acquiesced in the hope that the action would help to bring about peace in the area. Had the United States maintained its status as a truly neutral third party in the conflict, our forces might not have come under attack and Congress might never have challenged the president in this issue. However, the Reagan administration adopted a policy of training and supplying the Lebanese Army, which was increasingly viewed by the Moslems as supporting the status quo of Christian minority rule. This led to the unraveling of all the assumptions on which our original introduction of troops was based. Sniping and shelling incidents began to occur in early 1983, and by the summer they increased in intensity, along with U.S. casualties. The Reagan administration's persistence in pursuing a policy that clearly ran major risks for U.S. security interests for fairly small potential gains aroused bipartisan opposition in Congress, which led in September 1983 to a major war-powers debated. In a compromise that was more in the nature of a congressional cave-in, the administration agreed to comply with the law in return for congressional authorization to permit the U.S. Marines to remain in Lebanon for an additional eighteen months.

The administration accepted this only grudgingly,[14] and even then complained over congressional interference. Yet with explicit congressional authorization for U.S. troops to remain in Lebanon for at least eighteen months, the president's hand was only strengthened. Finally, the tragic and entirely avoidable bombing of the marine barracks, followed by the removal of U.S. troops from the Beirut International Airport, brought down the curtain on one of the clearest failures of U.S. foreign policy in years. Had Congress tied the president's hands on this issue more quickly and forcefully, this debacle might have been avoided.

If anything, the Lebanon crisis demonstrated that the War Powers Act needs to be strengthened. The sixty- to ninety-day limit in the act was intended to be self-activating, yet Congress found itself compelled to establish that the time limit had been triggered not when troops were introduced, but when it granted an eighteen-month authorization for U.S. troops to remain. Congress might well want to consider amending the act so that the courts can quickly adjudicate disputes over time limitations, the presence of hostilities, and other issues.[15]

In the past year Congress has also spoken up more forcefully on U.S. Central American policy, but only after the existing policy had caused serious concern about the possibility of direct U.S. combat involvement. In El Salvador, political pluralism and continuing bipartisan congressional pressure on human rights helped convict the murderers of the four U.S. churchwomen who had been killed three years earlier. In addition, increasing congressional and public criticism of administration policy for being oriented too much toward military instead of political solutions seems to have resulted in policy changes that encouraged an environment in which President Napoleon Duarte took office by way of free elections rather than by military force. At the same time that Congress was pushing for such changes in U.S. policy, it was also providing most of what the administration requested in the way of military assistance for the Salvadoran government. Support for this two-track policy was strengthened considerably by Duarte's election, which assured Congress that it was not funding another lost cause.

The House of Representatives has tried very hard to cut off the administration's program for funding the contras in Nicara-

[12] Ibid., 419-21.

[13] Senator Robert Byrd, op. cit., S12172.

[14] In signing the Lebanon War Powers Resolution on 12 October 1983, President Reagan stated: "Nor should signing be viewed as any acknowledgement that the President's constitutional authority can be impermissibly infringed by statute, that congressional authorization would be required if and when the period specified in Section 5(b) of the War Powers Resolution might be deemed to have been triggered and the period had expired or that Section 6 of the Multinational Force in Lebanon Resolution may be interpreted to revise the President's constitutional authority to deploy United States armed forces." (Congressional Research Service), op. cit.

[15] These and other suggestions are discussed in Michael J. Glennon's articles, "The War Powers Resolution Ten Years Later: More Politics Than Law," *American Journal of International Law* 78 (July 1984): 571-81; and "Strenghtening the War Powers Resolution: The Case for Purse-Strings Restrictions," 60 *Minnesota Law Review* 1 (1975-76).

gua because of its belief that such funding is counterproductive to U.S. security interest. Accordingly, the compromise worked out with the Senate in October does tie the hands of the president by effectively blocking all contra funding without further congressional approval. This is one case, however, when tying the president's hands is in our best interest, and it is directly in line with the mandates of the Constitution.

Congressional attitudes about arms control also reinforce the reality that Congress generally is loath to interrupt the foreign policy process except when it perceives that executive branch policies have gone seriously off course. As Justice Cardozo once said: "All history demonstrates that legislation intervenes only when a definite abuse has disclosed itself, through the excess of which public feeling has been aroused." [16]

Throughout the Nixon, Ford, and Carter administrations, Congress gnerally content to debate the merits of specific weapons systems and their impact on U.S. defense and arms control objectives. This congressional acquiescence was the result of broad bipartisan support for the Strategic Arms Limitation Talks (SALT) process and for the efforts of the executive branch in this area. Incidentally, Congress was also fairly quiet on arms control during the first year of the Reagan administration. Congress felt that the new administration deserved time to develop new policies and put them into effect. However, the administration's delay in resuming arms negotiations, its plans for a major nuclear arms buildup, its continuing stream of silly and dangerous rhetoric about fighting nuclear wars, and its collection of unrealistic arms control proposals frightened publics and galvanized legislatures on both sides of the Atlantic. The serious treatment of freeze proposals in Congress was a direct result of the freeze movement that swept the country in 1982, the basic message of which was that the government must slow down or halt the arms race.

As Congress increasingly perceived the administration's Strategic Arms Reduction Talks (START) proposals to be "flawed" and "so one-sided to be virtually unnegotiable," as former secretary of state Alexander M. Haig has described them,[17] Congress began "interfering" in U.S. START policy. Again, this intervention only occurred after the formation of a consensus that the administration's START policy was seriously defective. The build-down proposal was championed by some in the Senate as a way to inject some realism into the administration's negotiating strategy. After intensive study by the executive branch, and serious negotiations between administration officials and key build-down sponsors, the president agreed to adopt a watered-down version of the original build-down proposals.

The real strategy of those in Congress behind build-down was to hold the MX missile hostage in return for greater flexibility in START; the intricacies of the build-down proposal itself were not really at issue. Although the success of this strategy is somewhat unclear, the build-down's major significance was that an important segment of congressional opinion—which could hardly be called liberal on defense issues—was sufficiently troubled by U.S. START policy that it threatened the centerpiece of the administration's arms buildup. Congress only acted in this manner after more than a year of no progress in the arms control talks and hints of still further hardening of the U.S. negotiating position.

Similarly, Congress has acted recently on such issues as antisatellite arms control, submarine-launched cruise missiles, nuclear testing, and the continuation of the U.S. policy of, in effect, abiding by existing SALT agreements. However, Congress felt compelled to do so only after the administration indicated that it might not or would not pursue policies in these areas that Congress believes are in our national interest.

The president has, at times, called for a return to a bipartisan foreign policy:

> We must restore bipartisan consensus in support of U.S. foreign policy. . . . Republicans and Democrats [must stand] united in patriotism and speaking with one voice. . . . Congress must support the practical details of policy, not just the general goals.[18]

Although a broadly supported bipartisan foreign policy is a desirable objective, such a policy is earned, not ordered. If any president wants a bipartisan foreign policy, he must adopt a pragmatic approach that merits the support of both parties. A continuation of the policies of the last four years will see further erosion in his support from both sides of the aisle.

In the last four years Congress has played a much more active role in U.S. Foreign policy than in the past. Although its bark was often worse than its bite, it succeeded in several cases in modifying U.S. policy. Should Congress continue to play this more active role? Will it? And, if so, what are the implications for the executive branch and for U.S. foreign policy?

A vigorous and successful U.S. foreign policy requires a more active congressional role. In virtually every case over the last few years, congressional "interference" in the executive branch's foreign policy was not only proper but required. When Congress was successful in modifying executive branch policy, it did not act until the executive branch had had a lengthy period of time to implement its policies. In each case, Congress responded with restrain in its impositions on the executive branch's policy. However, in some cases—such as Nicaragua and the MX—Congress may have reacted too late and with too little restraint.

The implications of Congress's failure to play an active role in foreign policy are sobering indeed. The entire Vietnam debacle could have been largely, if not entirely, avoided had Congress been more assertive in the mid-1960s. When one considers the casualties, extra defense spending, and civil unrest caused by the Vietnam War, the cost of congressional inaction in the future would be exorbitant indeed. Congress played an important role over just the last couple of years in ensuring that the United States did not become more militarily involved in Central America.

Some people will argue that an increasingly assertive congressional role will limit the power and flexibility of U.S. foreign policy. Of course, an administration that is unaccountable to Congress for its foreign policy would have more flexibility in its options, including the flexibility to pursue dangerous policies. However, such an unfettered administration would perhaps not always have more power in conducting its foreign policy. The president would still come to Congress for funding, and a Congress that withheld its objections to a president's policies during most of the year would be much more dangerous to deal with at appropriations time.

A more active role by Congress does not mean that, on any given day, a President Gulliver would awaken to find himself tied down by 535 congressional Lilliputians. It is important to keep in mind that a vocal Congress can and does provide support for the president when it agrees with his policies, and this strengthens the president's hand and gives him more authority in carrying them out. For example, Congress never wavered when it came time to proceed with the deployment of the Pershing IIs and ground-launched cruise missiles in Europe late in 1983. At a time when Europeans were loudly protesting, Congress firmly supported the president in these deployments. Likewise, the president has received strong support from Congress for a number of strategic weapons programs, including the Trident submarine and missile, the air-launched cruise missile, the Stealth bomber, and the small ICBM.

Certainly Congress is no more immune to bad ideas in foreign policy than is the executive branch, but there is little reason to believe that an activist Congress would behave irresponsibility. The process of debate and deliberation usually weeds out flawed ideas, so that those which survive the congressional gauntlet of committee hearings and markups, floor debate, amendments, and House-Senate conferences usually have merit. Congress often listens to executive-branch comments and reflects them in its legislation when the case has been convincingly made. Furthermore, a Congress that has played an important role in sharpening U.S. foreign policy is not likely to change course and undercut it. Conversely, an irrelevant Congress, free of responsibility for foreign policy, would be more likely to act irresponsibly.

Another reason for a strong congressional role in foreign policy is that it serves, in effect, as an ombudsman for the American people over executive-branch policy and behavior. The presidency is a powerful post, where personal whim or ideology can lead to bad policy (as Vietnam and Lebanon attest), possibly at odds with both the needs and the beliefs of the American people. Congress is in far more intimate contact with the people of this country on a daily basis than is the president or his cabinet, and it usually has a more detailed understanding of their concerns. Relegating Congress to the role of cheerleader and check-writer for the president's foreign policy would do the same to the American people. Any foreign policy based on this philosophy will surely encounter serious problems in the difficult years ahead, when public support will be crucial.

Will Congress continue to play a more active role in foreign policy over the next four years and the years to come? The short answer is that it all depends on the president's policies. If the executive branch tries, or is seen as trying, to involve U.S. forces overseas without congressional authorization, Congress will most likely try to "interfere" with the president's ability to do this. If the executive branch is perceived as trying to pursue unrealistic arms control objectives that have the practical effect of stifling progress, Congress will "interfere" here as well. On the other hand, a pragmatic foreign policy that emphasizes quiet diplomacy as much as military might and is pursued in close consultation with Congress

[16] Senator Robert Byrd, op. cit.

[17] Alexander M. Haig, Jr., *Caveat* (New York: MacMillan, 1984), 223-29.

[18] President Reagan as quoted in the *New York Times*, 7 April 1984, A6.

and will not just acquiescence but strong congressional support. Thus, the degree of congressional "interference" is largely up to the executive branch.

What can the executive branch do to avoid, or at least minimize, congressional attempts to restrict or thwart its foreign policy and security initiatives? There is no substitute for a sound set of policies. Sustained and increasing congressional criticism of a particularly policy, coupled with legislative attempts to change or block that policy, should be viewed as a symptom of a deeper problem, not as the problem itself. While Congress is far from infallible and certainly does not speak with one voice, it is generally safe to assume that, when an appreciable majority persistently voices concern about a particular policy of a president—especially a politically popular president—there is a fundamental problem with that policy.

Furthermore, because Congress is usually slow in responding to problems, when it does finally react, it generally indicates that the problem has become serious. The executive branch's understandably human impulse to decry unremitting congressional criticism of its policies should be resisted. Such criticism should be viewed as a useful distress signal regarding the policy in question, either in its concept or execution.

This does not mean that the specific solution offered by Congress is necessarily the answer for whatever ails executive-branch policy, though such solutions should be examined. Such criticism should lead to a careful reexamination of policy, in consultation with Congress, with a serious eye to modifications.

In short, an assertive congressional role is essential in forumlating and implementing a successful U.S. foreign policy, although this alone cannot guarantee success. The executive branch must also consult closely with Congress and pursue a sound strategy that Congress and the public can support; it must also be secure enough to react positively to the concerns that underlie congressional criticism, and then be able to modify its policies when necessary. Such an executive branch, pursuing a sensible foreign policy, need have little fear of Congress tying its hands. Congress has not, cannot, and should not seek to usurp the executive branch's role in foreign policy formulation and execution. But an assertive exercise of the role assigned to Congress by the Constitution strengthens our ability to pursue a foreign policy that best serves U.S. interests around the world.

WAL-MART'S "BUY-AMERICA" CAMPAIGN

● Mr. PRYOR. Mr. President, for some time now, I have been insisting that American manufacturers, with their incredible ingenuity and energy, can beat anyone anywhere in the world. Yet in spite of our remarkable record, the United States continues to face staggering trade deficits. Last year, our trade deficit with Japan was $37 billion, and estimates for 1985 are that it will increase to somewhere around $45 billion.

I was pleased, Mr. President, to read in yesterday's Washington Post an article about my fellow Arkansan, Sam Walton, the chairman of Wal-Mart Stores, headquartered in my native State of Arkansas. Mr. Walton is a firm and conscientious American who shares a concern over the trade deficit. And he takes the position that what is most threatened in this country is the number of manufacturing jobs that continue to go abroad.

Sam Walton has recently signed a contract with a small manufacturer in Brinkley, AR, for 240,000 flannel shirts. In a sense, he is putting his money on the line, assuring American manufacturers that his 753 stores will buy from them and negotiate for their professional talent and ability. We are seeing in the Wal-Mart effort a new and encouraging Buy-America campaign, and I salute Sam Walton.

At the same time, Mr. President, I should like to point to another story in the New York Times on April 10. This also emphasizes Sam Walton's Buy American campaign, and it is fitting that he be recognized in this way—not only in Arkansas, where we know his contributions firsthand, but also throughout the country.

Mr. President, I ask that these articles be included in the RECORD and that my colleagues in the Senate pay close attention to what they say.

The articles follow.

[From the Washington Post, Apr. 21, 1985]

WAL-MART FLYS THE FLAG IN IMPORT BATTLE—PRODS U.S. PRODUCERS WITH FAVORABLE TERMS

(By Caroline E. Mayer)

Late last year, Sam Walton, the chairman of Wal-Mart Stores, Inc., gave his merchandise buyers an order: Think of a product that American manufacturers have given up on because of competition from cheaper imports.

An apparel buyer suggested inexpensive flannel shirts, virtually all of which are now made outside the United States.

Today, the 753-store discount chain has a $600,000 contract with a small Brinkley, Ark., manufacturer for 240,000 flannel shirts—one-tenth of what the company anticipated it will sell next winter.

"We've set out to prove that American manufacturers can make merchandise we sell on a competitive basis with the same quality and value as products made overseas," said David D. Glass, president of Wal-Mart, one of the nation's fastest-growing and most successful discount chains, second to K mart Corp. in size.

"As a company, we are tremendously concerned with the trade deficit," Glass said. "We see a tremendous erosion of manufacturing jobs in this country as manufacturers accelerate the movement to go offshore to make their goods. None of us will believe what this country will be like five to 10 years from now if we continue to let this happen."

Between 1981 and 1984, an estimated 1.6 million American jobs were lost to imports, Walton recently pointed out in a letter to his suppliers. "In one year [1983 to 1984], non-oil related imports grew $70 billion, an increase of 33 percent. The trade deficit reached $123.3 billion, an increase of 78 percent. Something can and must be done to reverse this very serious threat to our free enterprise system and our great country," he wrote.

Now Walton wants to try to turn the tide. Last month the company officially launched a novel and ambitious Buy-American campaign to prod domestic manufacturers to produce more goods at home. Last year the company purchased about 5 percent of its goods from foreign manufacturers. This year, Walton said he hopes to reduce that to 4 percent through his campaign, with further reductions in the years ahead.

By offering unusually favorable terms—including longer lead times and more advantageous financial agreements—Wal-Mart hopes to prove that American manufacturers can make quality products that will match or beat the prices of imported goods.

"We are willing to work with the domestic manufacturers to a greater extent than we have done before," Glass said.

Also, Wal-Mart is willing to lower its margins to sell the goods at a competitive price, Walton said. "We are asking our manufacturers to lower their margins; in turn, we will lower ours."

However, Walton contended that profitability for the company—which earned $240 million last year on sales of $6 billion—should improve because it will force the company to make better buys. Perhaps even more significantly, the campaign will be promoted in Wal-Mart's stores, creating more "enthusiastic and appreciative customers," Walton noted.

The contract for flannel shirts with Farris Fashions Inc. is the first test of Wal-Mart's resolve.

To help Farris Fashions Inc. be price-competitive, Wal-Mart has helped locate and finance the flannel material it needed to meet the contract. "Without Wal-Mart's help, I would have given up on the project long ago," noted Farris' president, Farris Burroughs. "I kept beating my head to find piece goods and financing," he said, noting that he had called every textile manufacturer he knew, unsuccessfully looking for material. Ultimately, Wal-Mart called manufacturers to find goods and promised favorable financing terms for the goods to help Farris get a start.

Additionally, Wal-Mart "has agreed to pay us a little quicker than normal," Burroughs said,

"If I didn't have that work, I'd be hard pressed to keep my 100 employees busy," said Burroughs. "Without that contract, I'd be out beating the bushes. And with business now very slow in the shirt and blouse business, those bushes are almost all beat out."

Wal-Mart didn't have to make these arrangements, Burroughs said. "People are beating down Wal-Mart's doors to sell them goods," he asserted. "All Mr. Walton has to do is to say 'give me so many dozen.' He doesn't need to worry about" where his goods are being manufactured.

Yet he said Walton does have a direct interest in the import problem: A lot of the Americans who are losing jobs as a result of import competition are Wal-Mart customers.

"If his people are not working, they can't be buying anything. It's as simple as that," Burroughs noted.

Wal-Mart's campaign comes at the same time other major retailers are pressing the federal government to relax its import quotas on apparel. The retailers argue that the quotas hurt consumers by restricting the amount of lower-priced foreign-made goods, while raising the price of those goods that do reach the country.

We're swimming upstream," Glass said.

Wal-Mart's Buy-American campaign was launched in a letter Walton sent to his major suppliers last month. To date, it has resulted in about half a dozen new contracts with American manufacturers, some of which already had been producing goods for Wal-Mart's stores. Most of the contracts are for work at plants in Wal-Mart's selling area in the South.

Julie Girl—which has four plants in the Southeast—has been making ladies sportswear and loungewear for Wal-Mart for the past 13 years. But under the Buy-American campaign, the company has entered into new agreements that, among other things, give Julie Girl more time to meet Wal-Mart's orders.

"Normally, big retailers go overseas and commit their orders a year in advance and then come back here and domestically place their orders closer to their needs" explained Louis Perlman, president of Julie Girl. "Wal-Mart is now making their commitments to us about the same time they make their commitments overseas. The longer lead time enables us to make better deals with domestic piece-good mills. It also gives us better production planning and allows us to become more efficient in our plants, thereby lowering our overhead and our costs."

The new Wal-Mart contracts will create about 200 more jobs for Julie Girl, Perlman said. At the time, he added, it may have a snowball effect on Julie Girl's suppliers as they, too, are given a longer lead time in filling the manufacturer's orders.

Wal-Mart's Buy-American drive comes at a good time, noted Robert Welsh, president of Capital Mercury Shirt Corp., which has been one of Wal-Mart's longtime suppliers.

"A year ago, two years ago, even three years ago, it wouldn't be the right time because the prices overseas were very depressed," Welsh said. Today, higher labor costs and the quotas are pushing overseas prices up, "making it feasible for American manufacturers to be within striking distance," he said.

As a result of Wal-Mart's drive, Capital Mercury, which makes many of its men's shirts outside the United States, decided to bring some production back to this country and even expand some of its facilities in the hope that Wal-Mart's efforts will prod other retailers also to buy from domestic shirt makers.

"With Wal-Mart's advanced commitments as the nucleus of the Buy-American program, we believe we will now be able, on certain items, to equal or beat the offshore manufacturers—but not for all items," Welsh said.

Wal-Mart's drive goes beyond apparel. It also has entered into contracts to buy American-made electric fans and bicycles, and it has signed a $469,000 contract with a Ft. Smith, Ark., manufacturer of casual furniture to make outdoor stacking chairs that will be sold for about $15 each. Wal-Mart had been importing the chairs from Taiwan.

"They've elected to give us the same arrangements they make overseas," said Don Flanders, chairman of Flanders Industries, a company with 100 employes and sales of $7 million a year. "They will make their commitments further ahead and they will pay us faster."

Typically, retailers agree to pay domestic manufacturers 30 days after an order is shipped, while they pay offshore producers at the time it is shipped, Flanders noted. By agreeing to pay Flanders when the chairs are shipped, Wal-Mart is enabling the company to produce the chairs "at less of a competitive disadvantage than an offshore firm." At the same time, the contract has created about 30 more jobs a year, Flanders said.

Until Wal-Mart offered to grant these favorable terms, Flanders said he would not have been able to include them in any of his contracts—even though they are standard provisions for his foreign counterparts.

"There are too many domestic manufacturers who compete with us that are not willing to make demands so they could get the business," Flanders said. "Only if we all went together and said, 'No, we won't do this unless you agree to this," would it work—and that's against the law."

Not all manufacturers are enthusiastic about Wal-Mart's drive.

"One of the disappointing things is when a manufacturer says he doesn't want to participate," Glass said. "Some manufacturers who produce many of their goods offshore say 'why should I have the headaches managing people and running a plant? I'd rather contract offshore and have the goods manufactured by someone else.'"

The Buy-American drive is "more work," Glass acknowledged, "You have to work with a manufacturer—meet with him and visit his plant to inspect it for quality control. But we do it abroad."

The campaign is also a gamble, Glass noted. "Retailers are generally reluctant to commit to longer lead times to guard against economic downturns or changes in fashion. So we are taking some risks. . . .

"It is not a quick fix. Down the road, we may get to the point where we feel we are beating our head against the wall because, by ourselves, we won't make a difference."

Yet manufacturers say Wal-Mart's drive already is beginning to have an impact.

"We're getting rumblings from other retailers," said Capitol Mercury's Welsh. "They won't let Mr. Walton steal the march on them because it's going to catch them."

One of the interested retailers is Wal-Mart's midwestern rival, Venture Stores, a 60-store discount chain owned by the May Co.

"Mr. Walton is absolutely right." said Julian M. Seeherman, Venture's chief executive officer. Buy-American "is the kind of statement we've been making but not getting publicity on," he added plaintively. Nonetheless, he said, Venture is contacting some of the same manufacturers Wal-Mart is doing new business with—and its own suppliers as well.

"We would be willing to help these people," he said. "One way would be to give them a guaranteed order before they buy the first dollar's worth of material."

In addition to retailers, some of the manufacturers also are receiving inquiries from outside investors.

"A New York financier called me to say he would like to get involved in helping me finance my purchases of raw material," said Farris' Burroughs.

So far, Wal-Mart's agreements have been relatively small, considering its annual purchases amount to $8.5 billion a year, noted Arkansas Gov. Bill Clinton, who has played an active role in Wal-Mart's campaign, partly because Wal-Mart is based in his state and partly because of the state's high unemployment rate. Among other things, Clinton was instrumental in linking Wal-Mart with Farris.

"I think this will take off. But it will have to have a slow start—because they need successes at the beginning," Clinton said.

Glass, Wal-Mart's president, said, "We don't think we're going to make a major influence in changing the trade balance in the country, but someone has to start."

[From the New York Times, Apr. 10, 1985]

WAL-MART'S "BUY AMERICAN"

(By Peter T. Kilborn)

WASHINGTON, April 9.—Sam M. Walton, the downhome Arkansas retail executive, is upset about the flood of imports, and he is aiming to do something about it.

As the chairman of Wal-Mart Stores, a 753-unit discount chain that operates largely in rural communities, Mr. Walton, who Forbes has estimated to be worth more than $2 billion, sees his small-town customers losing their jobs as factories close because of imports.

In February, he wrote to 3,000 American manufacturers and wholesalers telling them that the chain wanted to buy more American goods. "Our continued success depends on our mutual reaction to a very serious problem with regard to our balance of trade deficit," he said in the letter. Wal-Mart reports that so far it has written new orders with four suppliers as a result of the 66-year-old Mr. Walton's appeal.

"What Wal-Mart is doing follows in the footsteps of Henry Ford," proclaimed A. Gary Shilling, an economic consultant in New York. "Ford said that if you don't pay your workers enough, they are not going to be able to buy Fords. Wal-Mart is saying that if you don't buy the workers' goods, they're not going to be able to buy your goods. It's all in Wal-Mart's enlightened self-interest."

These approaches, sometimes termed "Buy American" campaigns, fly in the face of conventional economics. They limit competition and usually mean higher prices for consumers. American consumers tend to be price-wary shoppers, and so if imports are cheaper, they go to the stores that sell them.

Also, Wal-Mart is swimming against an awesome tide. Although its sales last year, mostly of American-made goods, were $6.4 billion, which put it behind only the K Mart Corporation among discounters, such a figure pales alongside the ever-rising American trade deficits, and Wal-Mart, by itself, is unlikey to make much of a dent. The only beneficiaries of Wal-Mart's policy may thus be its competitors.

"If you can buy domestically, we would much rather do that, but we're looking for the best value for the customer," said A. Robert Stevenson, vice president for corporate and public relations at K Mart.

"We're for free trade," said Robert Ulrich, president of the third-ranking Target Stores discount chain, a division of Dayton-Hudson. "We're the customer's representative, and we try to get the best deal for that customer."

But Wall Street analysts who monitor Wal-Mart are impressed by Mr. Walton's campaign. "he has a leadership role in American retailing," said Walter Loeb, a retail industry analyst at Morgan Stanley & Company. "He's somebody coming out and saying, 'Hey, we don't have to buy everything from the Far East.' I think this is the beginning of a major drive of American retailers to buy American products."

Mr. Walton did not say that Wal-Mart would pay more for American products or undermine the company's competitive advantages as a discount store. But Wal-Mart executives say that indeed they will some-

times pay a little more for American goods and then shave the markups they put on their goods.

"But that's not the point," said David Glass, president of Wal-Mart. The point, Mr. Glass said, is to look differently at the costs of buying imports and to modify the company's ways of doing business with domestic suppliers to help them keep their costs down.

On April 2, Wal-Mart signed its biggest order yet under its "Buy American" program. It ordered 400,000 portable electric fans from Lasko Metal Products of West Chester, Pa., a deal worth more than $3 million. Lasko will produce most of Wal-Mart's fans in Franklin, Tenn, and Fort Worth, which are in the heart of Wal-Mart's territory.

Wal-Mart previously bought such fans from the Far East, and because of such competition from imports, Lasko had cut back its employment rolls by 30 percent over 10 years. "This order will bring us right back to where we were then," said William Weber, a vice president of Lasko.

Wal-Mart has also ordered men's flannel shirts from Farris Fashions Inc. in Brinkley, Ark., men's printed dress shirts from the Capitol Mercury Shirt Corporation in Manhattan and stackable metal garden chairs from Flanders Industries in Fort Smith, Ark.—all new orders displacing business previously done with the Far East.

Don H. Flanders, the chairman of Flanders, said that upon hearing of Wal-Mart's new policy, he approached Mr. Walton. "A lot of the items that we sell they were buying from Taiwan," Mr. Flanders said, "and Sam has made an attempt to bring that back."●

THE SENATE BUDGET RESOLUTION AND THE CHILD NUTRITION PROGRAM

● Mrs. HAWKINS. Mr. President, when the Senate budget resolution comes to the Senate floor on Wednesday, I intend to offer an amendment to eliminate the proposed cutbacks in the Child Nutrition Program. I urge my colleagues to support this effort.

I ask that a letter from the American Association of School Administrators appear in the RECORD at this point.

The letter follows:

AMERICAN ASSOCIATION OF SCHOOL ADMINISTRATORS,
Arlington, VA.

The undersigned education associations ask your support for an amendment to the budget resolution sponsored by Senator Paula Hawkins and any other amendments to restore proposed savings in the school, lunch and breakfast programs. The proposed savings in the White House compromise would terminate the cash subsidy for students who pay the full price for school lunches, and eliminate the inflation adjustment for the free and reduced cost lunch program and the breakfast program.

Terminating the cash subsidies for students who pay full price and eliminating the inflation adjustments may have a harmful effect on the school lunch and breakfast program for three reasons. First, losing the cash subsidy means that school districts would have to use local or state funds to make capital improvements or pay school food service employees. This would mean an increase in the cost of meals for all students and would cause an estimated 5,000 to 6,000 schools to drop the federal nutrition program. This is not to say that school districts would not serve lunch, rather they would drop the federal program.

If a school district drops its lunch program, and raises the price of each meal to makeup their lost subsidies, poor students will be hurt more than any other group of students. One need only look at the latest data from the 1980 Census that 40% of persons in poverty are 17 or under to understand the need for nutritious meals and continued federal support for school lunch programs. It is a myth that terminating the cash subsidy for middle class students who pay the full price for meals will not hurt disadvantaged students. Needy students will certainly be hurt if school districts do not have free and reduced meals and raise the cost of meals.

In 1968 the television documentary "Hunger in America" showed poor students watching their classmates eat because they could not afford lunch. The documentary contributed to the establishment of subsidized meals for such students. The needs are no less great today.

Thank you for your interest and consideration. If you have any questions please contact any of the identified individuals in the undersigned organizations for further information.

Yours truly,

Joseph J. Scherer, Ph.D., American Association of School Administrators; Linda Tarr-Whelan, National Education Association; Arnold Fege, National PTA; Michael Casserly, Council of Great City Schools; Amy Peck, The Council of Chief State School Officers; Greg Humphrey, American Federation of Teachers; Marshall Matz, American School Food Service Association; Michael Resnick, National School Boards Association.

CHILD NUTRITION BUDGET CUT

The Senate Republican Leadership-White House budget plan calls for a cut of $400 million in child nutrition (down from $700 million) during FY 86, and a $1.8 billion cut over three years. Most of the savings are attributable to a 100% elimination of the federal cash support paid to schools and institutions for meals served to children from families with incomes above $19,600.00.

According to the Library of Congress, Congressional Research Service, under the original $700 million proposal some 7.3 million children and approximatley 17,900 schools were at "risk of dropping from the program".

The American School Food Service Association estimates that under the new budget plan 3-5 million children and 5,000-6,000 schools will be forced from the National School Lunch Program.

When a school is forced from the National School Lunch Program all children, including poor children, lose access to the National School Lunch Program.

The so-called "high income subsidy" is not a transfer payment to individuals but a grant-in-aid to schools that supports the basic infrastructure of the school lunch program.

The effect of a "freeze" in FY 86 hits the school lunch program very hard in the out years. Since the school year starts in July, a freeze in FY 86 only affects one school month, September, 1986. In effect, therefore, almost the entire $400 million cut in FY 86 is above a freeze. It is also why the out-year cut grows to $800 million in FY 88.

The Omnibus Reconciliation Act of 1981 reduced child nutrition funding by approximately one-third. While the child nutrition programs represent less than one-half of 1% of the federal budget, they shoulder 4% of the cut enacted as part of the Omnibus Reconciliation Act. In short, the child nutrition cut enacted in 1981 was approximately 10 times greater than an across-the-board freeze.

The 1982 Department of Agriculture study on the school lunch program found it to be nutritionally important to children in all income categories. It states that "the superiority of the School Lunch is reflected in higher daily intake of nutrients for the general school-age population and for all the population subgroups that were examined." Hungry children don't learn!●

NATIONAL WATER POLICY

Mr. MOYNIHAN. Mr. President, on Friday, April 19, I had the pleasure of speaking about national water policy to a gathering of leaders of the business and financial communities. The meeting in New York City was hosted by the National Water Alliance, bipartisan, nonprofit organization dedicated to the formulation of rational water policies and to educating the public on our many water-related problems.

The message I conveyed last Friday was one that I have expressed many times on the Senate floor. If we fail to develop a truly national water policy, the current stalemate will continue: no deep ports, no more flood control, no new locks. Senator ABDNOR and I plan to report a water bill out of the Water Resources Subcommittee within a few weeks. I hope this body will take action on the bill.

I ask that the text of my speech be printed in the RECORD.

The remarks follow:

SPEECH BY SENATOR DANIEL PATRICK MOYNIHAN

U.S. News and World Report recently suggested that water, the resource most taken for granted, might well be the focus of our next resource crisis.

There are ample grounds for such speculation right here in New York City. New York City's clean water comes from the Catskills, not from the Hudson, where striped bass are too contaminated by PCB's to be eaten safely. From the Catskills, the water travels to New York and business through an invisible system of tunnels and pipes in desperate need of repair.

The problem is widespread. According to the Water Resource Council's Second National Water Assessment, consumption of water in the United States had doubled since 1960, from 61 billion gallons per day to 121 billion gallons per day. By the year 2,000 daily consumption will reach 135 billion gallons per day.

Three-quarters of this is used to irrigate crops, but this use of our water resources has probably peaked already. Most of the coming increases in demand will be from industry—especially manufacturing and utilities which means we have something to talk about here today.

Is there enough water? The answer varies, depending on where you are. There are 106 so-called "hydrologic" regions in the country, and the Water Resource Council estimates that 17 of these 106 will have serious water supply problems in the next 15 years. According to the U.S. Geological Survey, in the Colorado River basin water consumption already exceeds renewable supplies. There, they can and are making up the difference by mining groundwater. Even our region, which usually gets plenty of rain, has periodic shortages, especially in large cities like this one.

The problems go beyond water shortages. New York city draws its water from surface reservoirs, albeit a considerable distance away; Long Island, on the otherhand, may be said to drink from one well. And that well, the underground water supply or sole source aquifer, is gradually being poisoned by toxic pollutants.

Nassau County has 389 public wells, and toxic chemicals have been found in 119 of them, mainly shallow wells where pollution would first become apparent. The situation is as bad in Suffolk County. The Department of Health there tested the wells in Mastic Beach for five years, and found 19 percent of them tainted with dangerous chemicals. The point is, you don't need a chemical spill or a toxic waste dump to pollute the water supply. Some of these chemicals come from residents' homes, passing through their septic tanks and ending up in shallow wells. Nitrates from lawn fertilizers, chlorides from salts used on icy roads, pesticides used by potato farmers—all can end up in the water supply.

There are water problems across the nation. But may I say, these problems do not make a crisis. We have not run out of water. We do not stand on long lines for water, or pay exhorbitant prices for it. There is no crisis; but there is no national water policy, and that could produce a crisis.

It was not always so. In 1824, the Supreme Court established the Federal responsibility for waterway transportation, in *Gibbons* v. *Ogden*. That same year, Congress passed the first waterway improvement bill—a measure to allow the Army Corps of engineers to carry out "snagging and clearing" operations on the Mississippi and Ohio Rivers. (Now we have snags of entirely different sort, and they had better be cleared away.)

Since then, the Corps and that other great builder, the Bureau of Reclamation, have undertaken a series of monumental tasks, each in response to an identified national need. The line separating California from Mexico is one of the few political boundaries in the world visible from space (excepting those boundaries that coincide with a river or some such natural feature). The croplands of the Imperial Valley are lush and green, because they were irrigated; immediately across the border, dry cotton fields.

All over what was once the "Great American Desert," cities and crops grew, and new regions of the continent were developed. Engineers tamed the Mississippi and the Missouri with a seeming endless series of flood control dams and levees. They dredged great seaports and created a waterway transportation system for the interior.

Recent history has been considerably less glorious. Congress has not authorized construction of a major water project in 15 years. A few studies and small projects were authorized in 1976. The Carter presidency passed without enactment of an omnibus water bill, and President Reagan is well on his way to the same dubious achievement. Even Congressional authorization is no guarantee of action. Congress has appropriated no funds for new projects, even ones long ago authorized, in 5 years. According to the General Accounting Office, the average delay between a project survey and the beginning of construction is a quarter-century.

I have said, we have no national water policy. By definition, such must include the entire nation. Yet, current policies, such as they are, exclude one region of the country: this one. From 1930 to 1980, the four major Federal water agencies spent some $85 billion on water resource development projects. 37 percent was spent in the South, and 36 percent in the West. Seven percent in the Northeast. In those 50 years, the State of Montana received more than $2500 in water resource funds for every man, woman and child there. How much was spent for each New Yorker?—about 3 percent as much, $83.

Is our corner of the continent so endowed with water that we need no water resource development? I think not. It rains more in New York than in Arizona, but the water does not always come at the right time or in the right place.

On February 25 last, the City of New York declared a drought watch. On April 3, this was upgraded to a drought warning. It rained and snowed so little during the past eight months, that the city's reservoirs have fallen to 59 percent of capacity. That should be compared to a norm of 96 percent for this time of year.

Drought is not new for New York. The worst was in 1965. In that year—140 years after passage of the first waterway bill—Congress finally recognized the water problems of our region. The Rivers and Harbors Act of 1965 states:

"Congress hereby recognizes that assuring adequate supplies of water for the great metropolitan centers of the United States has become a problem of such magnitude that the welfare and prosperity of this country require the Federal government to assist in the solution of water supply problems."

The Act directed the Corps of Engineers to study these problems. The Northeastern Water Supply Study completed in 1977—even that took 12 years—concluded that New York City has a water deficit, which means that its supplies would not be adequate in the event of a bad drought. In the year 2000, according to the Corps, the City will need 1.42 billion gallons of water a day; in a drought as bad as the one in 1965, the city could count on 1.29 billion gallons a day. That's a daily deficit of 130 million gallons.

New York City draws 90 percent of its water from six reservoirs in the Catskills, 100 miles away. The water flows by gravity through a network of tunnels, under the Hudson and down in to the city. The system is one of the great engineering achievements of the 20th Century, and it was built without any help from the Federal government.

The City will need more water, and it may be forced to do something it has never done before—"skim the Hudson." Take water from the Hudson River during high flow periods and store it in the reservoirs. For the first time, New Yorkers would be drinking from the Hudson River.

Water has to be delivered. The backbone of the City's distribution system is two water tunnels, completed in 1917 and 1936. That is about 70 and 50 years ago. Neither has ever been inspected, repaired, or maintained. You could not do so without cutting off the water supply of half the City.

A third water tunnel is now under construction. It will backup the two existing tunnels and provide additional flow capacity. The City of New York is spending 10 percent of its capital budget on this third water tunnel, and the total cost could well exceed $5 billion.

Not a penny more of Federal funds has been expended for the new tunnel than for the first two, which is to say, none. Under current Federal policies, the Third Water Tunnel is called a "local responsibility."

Yet, the Bureau of Reclamation today is completing a $2 billion system of dams, aqueducts, canals, and pump stations, called the Central Arizona Project because that's where it is. The project will deliver Colorado River water to the businesses, lawns and swimming pools of Phoenix and Tucson.

That is why we need a national water policy.

In 1979, I was Chairman of the Subcommittee on Water Resources, and I joined Pete Domenici of New Mexico in a proposal to end the current chaotic and idiosyncratic system. Our bill was simple: instead of authorizing water projects on a case-by-case basis, Congress would distribute funds to the states using a formual based on population and land area. In this way, the needs of the States would replace the Congressional seniority system as a driving force behind water policy. Each State would concentrate its share on the problem it considers most pressing—whether they be municipal water supply, flood control, drought, or navigation.

Six years later, nothing has changed. Senator Abdnor of South Dakota and I reintroduced a bill on January 31 that takes a small step toward better water policy. If enacted, it would be the first major water legislation in 15 years.

Our bill, S. 366, would require a fixed level of State and local cost-sharing for water projects—for example, 35 percent for flood control and 30 percent for dredging general cargo harbors. Cost-sharing is sensible not just in view of the budget deficit; it requires that those who would be affected by the project also believe in its economic benefits.

The legislation would create a new program of Federal loans for rehabilitating municipal water supply systems. Over five years, the Corps of Engineers would lend up to $2.7 billion to American cities, loans to be paid back with interest. Priority would go to cities that have difficulties borrowing from other lenders, although any city could apply.

May I mention another piece of legislation, the "Sole Source Aquifer Protection Act". I introduced this in an effort to establish a procedure for cooperation among local, State, and Federal Governments, to protect underground drinking water supplies. A township or a group of towns, with the approval of their State's Governor, could apply for a Federal grant to develop and implement a plan. This plan would evaluate the water quality in a sole source aquifer, identify sources of pollution, and assess what kind of development could be pursued safely on the lands over the aquifer. The bill would authorize $165 million in Federal grants over four years, and up to $25 million could be used for a single sole source aquifer area, such as Long Island.

These proposals would not solve all our problems, or even most. They would intro-

duce greater uniformity in water policy, and establish the first major Federal effort to address the water problems of older cities and communities that depend on ground water.

It is hard for Congress to create national water policy alone. We need help from the Executive Branch. Also, from scientists and economists, environmentalists and businessmen, the people who know the value of water. That is why I joined the National Water Alliance. The Alliance operates on a sound principle: the only way to develop sound national water policy is if those who know most about it will talk—to each other, to the politicians, and to the public. You are major users of water, so you have much to contribute to this process. Do so.●

ARIZONA STATE MEMORIAL URGING STUDY OF NATION'S MONEY SYSTEM

● Mr. GOLDWATER. Mr. President, it is my pleasure today to place in the RECORD the text of House Concurrent Memorial 2002 adopted by both Houses of the Arizona State Legislature recently urging the Congress to make a serious study to examine and consider reform of the Nation's money system.

As one who has long supported the principle of restoring gold backing to the dollar and thereby indirectly putting the Federal Reserve System under control of Congress, I commend the suggestion made by the Arizona Legislature to my colleagues.

The memorial follows:

HOUSE CONCURRENT MEMORIAL 2002

To the Congress of the United States of America:

Your memorialist respectfully represents:

Whereas, a sound, stable money system is vital to a free nation to protect the economic and political liberty of the people; and

Whereas, the present money system, the Federal Reserve, was established to end the "boom and bust" cycles, to stabilize the currency, to end farm foreclosures and to provide for expansion of the money supply when needed; and

Whereas, since the introduction of the present money system, the Federal Reserve, our states and our people have suffered recurring recession cycles, a loss of ninety per cent of the purchasing power of the dollar and farm foreclosures of thousands per week during the Great Depression of the 1930's and the 1981–1983 depression; and

Whereas, the Federal Reserve has provided for the expansion of our money supply, but under their system they charge us interest on every Federal Reserve dollar in circulation; and

Whereas, no other issue affects our states and our people as directly because labor, farmers and businesses are absolutely dependent on the nation's money system and may be in grave danger in the near future without major reforms; and

Whereas, serious charges have been made that the Federal Reserve has failed to achieve the objectives laid down when it was established, that the present debt-money system works to the disadvantage of the people and results in ever-higher interest rates for people, business and government, that violations of prudent bank management practice by large United States banks in making loans all over the world have placed this nation, our banking system and our taxpayers in dire jeopardy and that the Congress of the United States has been unwilling or unable to face this issue squarely and take action to protect us from further abuses.

Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

1. That the Congress of the United States commence a study and hold hearings to examine the nation's money system and consider reforms of the system which are designed to protect the people and their economic security.

2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation.●

JOHN W. PATTON

● Mr. HARKIN. Mr. President, I take this opportunity to honor John W. Patton of Independence, IA, who is observing his 80th birthday on April 27, 1985.

Mr. Patton has had a long and distinguished record of public service, having served in the Iowa State Senate from 1965–69 and in the Iowa House from 1971–73. He also was a member of the Iowa Commission on Aging, as well as being a member of the Agricultural Stabilization and Conservation Service. In addition, he was for 20 years a rural electrification cooperative director of the Buchanan County Rural Electric Cooperative and also served as president of that organization.

A life-long farmer in Buchanan County, Mr. Patton recently retired with his wife, Alma Elizabeth, to their home in Independence, IA. Mr. Patton is still active in community affairs serving on senior citizen boards, both local and statewide. He also continues his active role in the Democratic Party.

Mr. Patton's community and public service has been a trademark of his entire life, and I am privileged to take this time to honor an outstanding citizen and public servant.●

ORDER OF BUSINESS

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mrs. KASSEBAUM). Without objection, it is so ordered.

MONTHLY STATEMENT OF RECEIPTS, OUTLAYS, AND DEBT

Mr. NICKLES. Madam President, each Senator receives on a monthly basis publications entitled the Monthly Statement of the Public Debt of the United States and the Monthly Treasury Statement of Receipts and Outlays of the United States Government. These are periodic reminders of the painful reality that our fiscal situation in this country is worsening.

For the benefit of my colleagues and also my constituents I shall briefly summarize these statements.

For the month ending February 28, 1985, total public debt outstanding was $1,698 billion—that is $1.7 trillion. This compares to $1,458 billion for the same period in 1984, an increase of $240 billion in the last 12 months. For latest census data, this equals $7,335 per person and $19,881 per household. This represents a 16.5-percent increase of total debt over the last 12 months and a 343-percent increase over 1970.

The Treasury Department estimates that borrowing from the public to finance the Federal debt for the year will be $210 billion. Total capital available in U.S. markets is $715 billion, of which Government borrowing takes a 29-percent share. At the current rate, Treasury estimates $1,841 billion in total public debt by the end of this fiscal year. This amount is especially staggering when compared to the total debt of $383 billion for 1970.

For the month of February, we amassed $54.0 billion in tax receipts and $75.1 billion in outlays, leaving a deficit for the month of $21.1 billion for the month of February alone. Fiscal year to date amounts are $290.6 billion in tax receipts and $391.2 billion for outlays, or spending for a deficit of $100.6 billion in the first 5 months of this fiscal year.

Treasury estimates that by the end of the year we will have received in taxes $736.9 billion and that we will spend $959.1 billion and have a net resulting deficit of $222.2 billion.

For the entire year, this translates into taxes of $3,183 per person or $8,628 per household. It estimates spending of $4,143 per person or spending $11,230 per household for a deficit equaling $960 per person or $2,602 per household.

Madam President, I will just make a comment. I think that these figures are staggering. I think they are shocking. To conisder that in the first 5 months of this fiscal year we have a deficit of over $100 billion and it is rapidly growing, that bothers this Senator.

We have some difficult decisions to make and we are going to be making a lot of them in the next week or two, and I hope Congress will show the courage and conviction to say that we need to get these deficits down.

I might also mention that it is estimated that we will be spending this year 24.8 percent of GNP. It is also estimated that tax levels this year will be 19 percent of GNP, and if you look over the last several years an average taxing level has been running at about 19 percent of GNP but the spending level has increased from an average of around 20 percent just in the last few years up to above 24 percent.

This information is aimed at encouraging my colleagues to look hard into making the types of spending cuts necessary to bring down the deficit when they consider the budget resolution, authorizing and appropriating legislation.

REMOVAL OF CARGO PREFERENCE FROM ALL AGRICULTURE EXPORTS

Mr. NICKLES. Madam President, on April 17, I introduced a bill which would remove cargo preference from all agriculture exports. As I state then, a cargo preference is an example of the debris of Government regulations that pollute our trade channels, slowing agriculture exports.

Following my statement was a recent Wall Street Journal article, an excerpt of which hit on the need for Congress to repeal cargo preference requirements. The article stated, "Congress has never had a better opportunity to rid the U.S. of the cargo-preference curse and thereby hand farmers a whopping victory."

Needless to say, I totally agree with that portion of the article. However, the article goes on to say that Congress should go along with the administration's approach to the 1985 farm bill. This is where I part ways with the administration and the Wall Street article. In fact, I have offered my own proposals to the 1985 farm bill.

On March 7, before the first Senate Agriculture Committee hearing on the 1985 farm bill, I outlined my proposals. Madam President, I ask unanimous consent that my statement and proposals presented to the Senate Agriculture Committee be printed in the RECORD following my remarks.

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

STATEMENT OF SENATOR DON NICKLES

I thank the committee for the opportunity to testify today at the first of what will likely be a lengthy series of Senate Agriculture Committee hearings on the 1985 farm bill.

Farmers have operated for the past four years under government programs that have failed in a number of areas. They have failed to maintain farm income despite increases in taxpayers' dollars used to finance the programs. They have failed to hold down production and in fact, have many built-in incentives for producing beyond our nation's ability to consume and export.

Oklahoma farmers and ranchers have made it clear to me over the past several months that deficit spending remains their worst enemy. They also agree that no single piece of farm legislation is going to solve all of their problems. However, the 1985 farm bill can be structured to offer much needed help to our nation's ailing agriculture sector while still remaining budget conscious. It can do this by targeting benefits to those most in need—the medium-sized farm owners.

After months of deliberating with farmers and ASCS officials, I have formulated a 1985 farm bill proposal which I am submitting for the record. I would like to expand on a few of the points in my proposal which I feel must be addressed. In particular, the acreage base system and production levels required of farmers in order to maximize program benefits need close attention. This proposal affects the commodity programs for wheat, feed grains, cotton and rice.

Because of annual adjustments from increasing or decreasing planted acreage, the current base system has denied farmers the ability to be flexible and diversify their base. I urge that adjustments in bases cease. Guaranteeing bases will allow farmers to diversify without risking reductions in their acreage base.

Another fault of the farm programs we've been under are that in order to maximize program benefits, program participants must produce on all allowable acreage. Last year, it cost $400 million to store and handle government-owned commodities which have accumulated because of program incentives to produce beyond our needs. To afford flexibility and to stop encouraging excess production, I propose that any participant who produces the program crop on 50 percent of his guaranteed base should be considered eligible for full program benefits. Additionally, when computing program benefits, a stable yield reflecting production levels under normal operating conditions should be used. These changes will permit a shift to planting permanent cover and other crops rather than providing incentives to devote production to surplus crops.

I differ with the Administration on where target price levels should be set. The 1985 farm bill must retain an economic safety net to prevent a collapse of rural America. After 50 years of farm programs and government interference in the marketplace, rapid elimination of income supports could devastate farming communities throughout the nation.

Rather than continuing efforts to control supply through acreage reduction, I favor taking away incentives to produce in excess. I am proposing that ten percent of a participant's guaranteed base be planted to permanent cover. This would allow some of the millions of acres of erosion-prone land to be taken out of production—promoting conservation rather than misuse of our natural resources.

The United States government owns $7 billion of surplus commodities which are uncommitted to food aid programs. I have introduced separate legislation which would facilitate the use of barter, to effectively dispose of unneeded commodity stockpiles. This common-sense approach allows us to use surplus agricultural products to our advantage rather than letting them add to farmers' economic detriment. The National Defense Stockpile comprised of strategic and critical materials not produced in the United States, is $10 billion short of the amount needed in the event of a national emergency. We are currently appropriating nonexistant funds to purchase these materials from other nations—nations that need the surplus food products stored in U.S. warehouses. A little horse-trading between the two inventories would better serve all involved parties.

Again, I thank the committee for the opportunity to testify and would welcome comments on any of the provisions offered in the farm bill proposal I am submitting here today.

FARM BILL PROPOSAL SUMMARY

[Wheat, Feed Grains, Cotton and Rice]

Senator Nickles' proposal is based on the following: the present farm program has (1) failed to maintain farm income; (2) failed to hold down production; (3) many built-in incentives to produce beyond our ability to consume and export; (4) become costly to all taxpayers.

1. Program Bases and Yields

The possible recomputation of crop bases every year based on increases for overplanting or decreases for underplanting, decreasing if not reporting, etc., must cease. Guaranteeing bases will allow farmers to diversify without risking reductions in their acreage base. Additionally, farmers have been encouraged by program incentives to produce on allowable acreage in order to maximize program benefits.

To afford flexibility and to stop encouraging excess production, any participant who produces the program crop on 50 percent of his guaranteed base should be considered eligible for full program benefits. Additionally, when computing program benefits, a stable yield reflecting production levels under normal operating conditions should be used. These changes will permit a shift to planting permanent cover, other crops, haying and grazing, etc.

2. Market-Oriented Loan Rates

In order to compete effectively in international markets and to discourage expansion by foreign producers, commodity loan rates should be based on a percent of an historical average market price. Loan rates for all program commodities should be set at about 75 percent of the average market price over the last three years.

3. Target Prices

The target price program should be continued to provide income support while not encouraging production beyond our needs. Target prices reflecting USDA estimates for cost-of-production should be considered in determining the target price.

4. Targeting Benefits

Program benefits should be targeted to mid-sized farmers by limiting eligibility for benefits to the first $200,000 of production, based on gross sales. Larger producers would qualify for benefits on the first $200,000 of production, as long as they comply with all program provisions, but would have to market the remainder with no government assistance.

5. Set-Aside Acreage

Efforts to control supply through acreage reduction have been largely unsuccessful. Provisions to idle land should be limited to requiring an acreage equal to 10 percent of the cropland base on participating farms to be established to permanent cover (grass or trees) as part of a long-term conservation reserve.

6. Sodbuster Provisions

Farmers who plant new crops on highly erodible land would be ineligible for any

federal assistance for those crops. A strong sodbuster bill, cosponsored by Senator Nickles, has passed the Senate twice, and has been reintroduced in the present Congress.

7. Bartering Surplus

The farm bill should also include legislation to encourage the bartering of surplus commodities for strategic materials from other nations. Senator Nickles has introduced separate legislation to establish the barter system. This would help reduce current commodity stockpiles and enormous storage costs, while replenishing our National Defense Stockpile of strategic minerals.

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

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

HOLOCAUST COMMEMORATION

Mr. PELL. Mr. President, as a member of the U.S. Holocaust Memorial Council I had the honor of representing the Senate last Thursday at the national civic commemoration of the Days of Remembrance of the Victims of the Holocaust. This year's ceremony marked the 40th anniversary of the liberation of Europe and the rescue of the Jews from Nazi concentration camps by Allied forces.

Among the participants were Secretary of the State George Shultz, who gave a very moving commemorative address, the Congressman STEVE SOLARZ who represented the House of Representatives. In paying tribute to the American soldiers who liberated the camps, Secretary Shultz reminded us that we are "our brother's keeper" and that we must "never turn a blind eye to the suffering inflicted around the world."

Mr. President, I believe my colleagues would be interested in the excellent and moving words of Secretary Shultz and Congressman SOLARZ. I ask unanimous consent that they be printed in full in the RECORD at this point.

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

REMARKS BY THE HONORABLE GEORGE P. SHULTZ BEFORE THE HOLOCAUST COMMEMORATION

As the 40th anniversary of the Allied victory in Europe draws near, we in America remember not only the triumph of our soldiers and the peace-loving nations of the world, but the rescue of the Jewish people from the Nazi evil.

Every year thousands of Americans visit the memorial to the victims of the Holocaust at Yad Vashem. I myself will be going there next month. The images of Jewish suffering at Nazi hands still burn in our memories. We will never forget, and the world must never forget, the inhumanity of which mankind is capable when it disregards the sanctity, the dignity, and the human rights of all men and women. Our nation shared the grief of those who had survived the concentration camps. We mourned for those who had not. And we made one very simple pledge: Never again.

Today we are assembled to pay tribute to the American soldiers who liberated the prisoners of Nazi concentration camps toward the end of the Second World War. Nothing we say here can have much significance compared with the noble and selfless act of those American liberators. When those soldiers walked into the camps and saw the horrors wrought by Nazi fanaticism, they recognized at once the enormity of the evil they had just conquered. And they forced the world to recognize it, as well.

Never has civilization been confronted by such an unmitigated, monstrous evil as Hitler's Nazism. Never have the will and strength of the democracies been so severely challenged. Never has one people been singled out for such grievous suffering at the hands of their fellow human beings.

The rise of Nazism, and most particularly, the ruthless murder of six million Jews, together dealt an almost devastating blow to all our most fundamental hopes for the modern world. Those who prior to the war had maintained their faith in the possibility of human progress, in the idea that with high culture and high civilization would come the end of man's inhumanity to man, those who had envisioned the day when respect for the dignity, the sanctity, and the human rights of every individual on earth would be universal—all of us who shared these dreams were stunned by the Holocaust. We castigated ourselves for the world's collective failure to stop it sooner. And after the war, after the concentration camps had been liberated and the bodies of the dead had been buried, we all promised ourselves that next time it would be different. Never again would we allow a monstrous evil to go unchallenged. Never again would we appease the aggressor. Never again would we lose sight of the fundamental moral principles upon which our free society depends.

The men who liberated the camps in a sense liberated the world, as well. They put an end to the physical tragedy, though they could not put an end to the spiritual anguish. We will never forget the atrocities committed by Hitler, and we will continue to pursue the criminals who carried out his awful designs. We will bring them to justice no matter how long it takes.

But the Americans who liberated the camps four decades ago also gave us hope. They made it possible for us to look forward, to start again, to begin to restore our faith in the possibility of a better world, even while the memories of the recent horrors lived on. They offered a new chance for all peoples in all nations to join together in defense of humanity. These brave men showed that the evil ever-present in mankind can be confronted and eventually defeated by an even more powerful devotion to justice and the will to sacrifice for a greater good.

We must never forget that lesson.

The principles that the rescuers upheld, and for which many gave their lives, continue to animate heroic idealists of our own day, whose consciences will not permit them to acquiesce in injustice.

It is the principle summed up by one of the spiritual mentors of the American Revolution, Edmund Burke, when he said: "The only thing necessary for the triumph of evil is for good men to do anything."

When Andrei Sakharov denounces the systematic denial of human rights by Soviet totalitarianism, and exchanges a position of honor and comfort in the Soviet elite for a life of persecution and exile, he honors the example and the memory of those who have fought tyranny and liberated the oppressed. So do the brave individuals administering the funds provided by Alexander Solzhenitsyn to aid the families of Soviet dissidents. And Anatoly Shcharansky's courageous stand against the Soviet police state is a testament to the human will. He not only endures, he prevails through this example to others.

We have seen the spirit of the rescuers in the mothers of Buenos Aires' Plaza de Mayo, who protested the disappearance of their children week after week, year after year—even after some of their own numbers "disappeared"—until democracy was reborn in Argentina. And that spirit lives on today in the acts of those courageous South Africans, of all races, who have sacrificed—sometimes their privileges, sometimes their lives—to protest and expose the cruelties of apartheid.

Thank God most Americans have never had to face choices like this, but a few of us have. One who did was an American officer who was captured during the Vietnam war and survived an 8-year ordeal in a North Vietnamese POW camp. As Admiral James Stockdale put it:

"From this eight-year experience I distilled one all-purpose idea . . . It is a simple idea. An idea as old as the Scriptures, an idea that naturally and spontaneously comes to men under pressure. That idea is, you are your brother's keeper."

The magnitude of these injustices, I repeat, is not the same. They cannot be equated with Nazi genocide, where was unique in the annals of human depravity.

But the principle applies universally: we are our brother's keeper. We must never turn a blind eye to the sufferings inflicted around the world. We must always draw strength and inspiration from the courage and altruism of the rescuers.

And we must never delude ourselves. Mankind's capacity for evil did not die in the bunker with Hitler.

We see evil in the world all around us, in efforts to impose totalitarian authority on unwilling peoples, in efforts to subjugate, suppress, and sometimes vanquish entire races, classes, and religions.

The legacy of the rescuers admonishes us all to stand up and fight back.

The memory of the American liberators will live on forever, as will the memory of the evil they put an end to. We can only be thankful, and proud, that Americans were willing to make the ultimate sacrifice to defend freedom and the rights of mankind. May we always have the courage, and the vision, to meet such challenges. Only then can the better world we all seek become a reality.

REMARKS BY CONGRESSMAN STEPHEN J. SOLARZ "DAYS OF REMEMBRANCE"—UNITED STATES HOLOCAUST MEMORIAL COUNCIL

Four decades ago, the allied armies brought to an end the most cruel and cold-blooded evil in the long history of man's inhumanity to man.

This is most assuredly a time for both remembrance and reconciliation.

But if it is incumbent upon us to mourn the victims of the Holocaust, it is not, nor can it ever be, appropriate for us to pay tribute to the villains whose service to the Nazi regime made it possible.

The Second World War was not, as perhaps we should have learned from the global conflict that preceded it, the war to end all wars. But it was the war which forever stamped the mark of Cain on the brow of man.

Now we know, as we never knew before, the depth of depravity to which the human spirit can sink.

It was not just the splitting of the atom but, even more, the institutionalization and industrialization of death, in the service of abiding racial and religious hatreds, which has created the shadow and spectre of mass destruction under which we are doomed to live for the rest of time.

There is nothing we can do to bring back to life those whose souls and spirit were snuffed out in the gas chambers and killing fields of Nazi-occupied Europe. We cannot even adequately pay homage to the courage and dignity they displayed on the altar of hate and cruelty.

But we can invest their sacrifice with a redeeming significance, if we resolve to do everything within our power to prevent such an evil from ever happening again.

In the aftermath of the Holocaust, nothing will ever be the same. The memory of the Six Million has irrevocably shaped the consciousness, if not the conscience, of mankind.

Here in our own great country, the indifference with which we once witnessed the attempted extermination of an entire people and the elimination of a flourishing civilization, has been transformed into an emerging willingness to use our influence and our resources on behalf of the noble work of rescue and relief.

Where we once rejected the St. Louis, we have welcomed the boat people.

Where we once turned our backs on the Jews of Europe, we have participated in the rescue of the Jews of Ethiopia.

Where we once were indifferent to the fate of the Jewish people, we now provide the support which makes possible the survival of the Jewish homeland.

This is the legacy of the Holocaust.

This is the obligation of our nation.

From their final resting place, the Six Million call upon us to never forget.

From our earthly abode, we can only respond: never again.

Mr. PELL. Mr. President, I suggest the absense of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

BITBURG

Mr. METZENBAUM. Mr. President, I am awaiting the arrival of Senator SIMPSON. I wish to take a few moments to discuss the President's visit to Bitburg and sort of a side issue to that, and that has to do with the massacre of prisoners of war at Malmedy, Belguim, in December 1944, by the SS troops who are buried at Bitburg.

The facts in connection with this matter have not been really totally available. As a matter of fact, only within the last 24 or 48 hours, April 22, were we able to obtain a list, declassified at our request, of those Americans who were killed in one of the 12 incidents that occurred at Malmedy. There were 12 separate incidents of captured American soldiers and Belgium civilians, and the shootings of these captured soldiers and defenseless Belgium civilians started on December 16, 1944, and continued until January 13, 1945.

They were not all shot down on 1 day. They were shot in 12 separate cases, and the numbers are large. The numbers who were killed were 350 U.S. prisoners and 100 Belgians, and one unit was responsible for all the killings, the First SS Panzer Regiment of the Waffen SS, commanded by Col. Joachim Peiper.

In 1949, a report of our own Senate Armed Services Committee describes that unit as follows:

> The regiment had a long and notorious military record on both the western and eastern fronts. On the eastern front, one of the battalions of the combat group Peiper, while commanded by Peiper, earned the nickname of Blow Torch Battalion after burning two villages and killing all the inhabitants thereof. Peiper had at one time been an adjutant to Heinrich Himmler.

Now, the 72 American names that we just received and which were declassified were killed in 1 of those 12 incidents. Seven of those men were medical personnel and were entitled to special treatment as prisoners of war; numerous others were wounded.

I ask unanimous consent at this time that a list of those names be printed in the RECORD.

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

(1) Munzinger, John S., 2/Lt., xxxxxxxx.
(2) Reardon, Perry L., 2/Lt., xxxxxxxx.
(3) Bloom, Donald L., Pvt., xxx...
(4) Blouch, Carl H., T/5, xxxxxxxx.
(5) Breon, Charles R., T/5, xxxxxxxx.
(6) Brozowski, Joseph A., Cpl., xxxxxxxx.
(7) Burkett, Samuel P., T/5, xxxxxxxx.
(8) Carr, Paul R., T/5, xxxxxxxx.
(9) Carson, Homer S., Pfc., xxxxxxxx.
(10) Coates, James H., Pvt., xxxxxxxx.
(11) Cobbler, John H., Pvt., xxxxxxxx.
(12) Cohen, Robert, Pfc., xxxxxxxx.
(13) Collier, John D., T/5, xxx...
(14) Davidson, Paul G., T/Sgt., xxxxxxxx.
(15) Desch, Howard C., Pfc., xxxxxxxx.
(16) Dunbar, William J., Pvt., xxxxxxxx.
(17) Fitt, Carl B., Cpl., xxxxxxxx.
(18) Flack, Donald J., Pfc., xxxxxxxx.
(19) Franz, Walter A., Sgt., xxxxxxxx.
(20) Frey, Carl B., Pfc., xxxxxxxx.
(21) Geisler, Donald E., S/Sgt., xxxxxxxx.
(22) Haines, Charles F., T/5, xxxxxxxx.
(23) Hallman, Samuel A., Pvt., xxxxxxxx.
(24) Hall, Charles E., Pfc., xxxxxxxx.
(25) Herchelroth, Sylvester, T/4, xxxxxxxx.
(26) Jordan, Oscar R., T/4, xxx...
(27) Kinsman, Alfred W., Sgt., xxxxxxxx.
(28) Laufer, Howard W., T/5, xxxxxxxx.
(29) Lengyel, A., Jr., T/5, xxxxxxxx.
(30) Leu, Selmer H., T/4, xxxxxxxx.
(31) Luers, James E., T/5, xxxxxxxx.
(32) Martin, Lawrence, Cpl., xxxxxxxx.
(33) McKinney, Robert, T/5, xxxxxxxx.
(34) Miller, Halsey J., Sgt., xxxxxxxx.
(35) O'Grady, David T., Cpl., xxxxxxxx.
(36) Osborne, John D., S/Sgt., xxxxxxxx.
(37) Oliver, Thomas W., Pfc., xxxxxxxx.
(38) Phillips, Peter R., Pvt., xxxxxxxx.
(39) Piasecki, Stanley F., Pvt., xxxxxxxx.
(40) Pittman, Gilbert R., Pvt., xxxxxxxx.
(41) Rosenfeld, George R., T/5, xxxxxxxx.
(42) Ruliman, Carl H., Cpl., xxxxxxxx.
(43) Saylor, Oscar, Pvt., xxxxxxxx.
(44) Schwitzgold, Max, T/5, xxxxxxxx.
(45) Sheetz, Irvin M., T/4, xxxxxxxx.
(46) Shingler, John H., T/5, xxxxxxxx.
(47) Snyder, Robert J., Sgt., xxxxxxxx.
(48) Steffy, George H., T/4, xxxxxxxx.
(49) Stevens, Carl M., Pfc., xxxxxxxx.
(50) Swartz, Luke S., T/5, xxxxxxxx.
(51) Walker, Richard B., Pfc., xxx...
(52) Watt, Thomas F., T/4, xxxxxxxx.
(53) Wiles, Yester H., T/5, xxxxxxxx.

All the foregoing were members of Battery B, 285th F.A. Observation Battalion.

(54) Indelicato, Ralph J., Cpl., xxxxxxxx, Med. Det., 285th F.A. Obsn. Bn.
(55) Mills, Roger L., Capt., xxxxxxxx, Hq. Btry., 285th F.A. Obsn. Bn.
(56) McGovern, William T., T/Sgt., xxxxxxxx, Hq. Btry., 285th F.A. Obsn. Bn.
(57) Wald, Elmer W., Pfc., xxxxxxxx, Med. Det., 200th F.A. Obsn. Bn.
(58) Lindt, Benjamin, Sgt., xxxxxxxx, Det. A, 200th F.A. Bn., V. Corps, MGP Force Bn.
(59) McDermott, Thomas E., 1st Lt., x... xxxxxxxx, Recon. Co., 32nd Armd. Regt.
(60) Iames, Lloyd A., 2nd Lt., xxxxxxxx, Recon. Co., 32nd Armd. Regt.
(61) McGee, James G., T/3, xxxxxxxx, Recon Co., 32nd Armd. Regt.
(62) Klukavy, John, Pfc., xxxx..., Recon Co., 32nd Armd. Regt.
(63) Genthner, Carl R., 1st Lt., xxxxxxxx, 575th Ambulance Co.
(64) Paden, Paul L., Pfc., xxxxxxxx, 575th Ambulance Co.
(65) Scott, Wayne L., Pvt., xxxxxxxx, 575th Ambulance Co.
(66) Burney, L.M., xxxxxxxx, 575th Ambulance Co.
(67) Wusterbarth, Dayton E., T/5, xxxxxxxx, 546th Ambulance Co.
(68) Clymire, John J., Pfc., xxxxxxxx, 86th Engr. Bn. (HP).
(69) Heitmann, Raymond A., T/5, xxxxxxxx, 197th AAA AW Bn.
(70) Cash, Cecil J., T/4, xxxxxxxx, 197th AAA AW Bn.
(71) Johnson, Delbert J., Pvt., xxxxxxxx, Unit designation unknown.
(72) Mullen, Keston E., Pvt., xxxxxxxx, Unit designation unknown.

Mr. METZENBAUM. If you look at the names, they actually read like a roster of Americans across the country, with almost every ethnic group that you can think of included as having been shot down as prisoners of war by the SS Waffen, many of whom are now buried at Bitburg.

It seems to me that there were so many other places that the President could visit. I do not think anyone wants to disturb his visit to Germany but, unfortunately, I think somehow

the choice of location in Bitburg was an inappropriate one.

We are hearing from soldiers and sailors, those who have received medals and who want to turn back their medals because they feel offended that the visit to Bitburg would be made.

The facts are that the President could find so many other areas, so many other places where a first would be more appropriate and would be the right thing to do.

Now, last week, 53 U.S. Senators joined together in signing a letter to the President in which we urged him to find another stop on his trip. As a matter of fact, this afternoon, I heard from one individual who is accepted as an authority in the area of German-American affairs. His father was actually an emigrant from Germany in 1902. He studied as a Fulbright in Germany in 1959 and 1960. He suggested a more appropriate place would be Ploetzensee. Ploetzensee was the prison in Berlin where Hitler caused to have executed his most serious opponents. And there were Jews and Christians and others. There were no distinctions on who felt his wrath and lost their lives in that prison. Many of those who lost their lives in that prison were as fine Germans as you can possibly meet anywhere—Bonhoeffer and Stauffenberg. Stauffenberg and several others were among that group that tried to kill the Chancellor, Hitler, and they were, unfortunately, probably, unsuccessful in that effort. They lost their lives in Ploetzensee. Hitler killed not only the victims of Nazis, but of Germans who opposed him from the earliest period. They were the finest and the cream of the crop of German political leadership. That meant very little to Adolph Hitler.

The unanimous-consent request that I am about to make and will make and I am informed it will be objected to—I am not sure why it will be objected to. I think the Members of this body ought to have a right to express themselves on this subject.

Last week, 53 Members of the Senate did express themselves from both parties. It is only fair to say that a number of Members on the opposite side of the aisles did not sign because they did not have an opportunity to sign. But time was of the essence and it was not possible to obtain the signatures from a logistics standpoint of more than 12 Members from the other side. But since that time I have spoken with a number of Members of the majority party and they have indicated that they would indeed like to express themselves on this issue. It is an issue that will not go away. It is an issue that nobody accuses the President of evil intentions or bad faith or any impropriety. I think it is a mistake of judgment and I think it is a mistake of judgment that the U.S. Senate ought to let the President know how we feel.

I hope that we would have an opportunity to vote on this issue. The matter is in the Foreign Relations Committee. The resolution which is authored by Senator CRANSTON, myself, and Senator KENNEDY does not say much more than the very language that was in the letter that was circulated last week and sent to the President. I hope that we would have an opportunity to vote on it.

In offering a unanimous-consent request, I want to make it clear that if the time that I suggest does not accord with the views of the majority leadership which has the right to set the calendar for the Senate, I would not take issue with them in changing that time, assuming that it was reasonable and it was sufficiently prior to the President's departure for Bitburg.

I am disappointed to learn that someone on behalf of the leadership is going to object to bringing this matter to a vote. I had hoped that we could do it in a cooperative manner. I had hoped that they would recognize that there are many of us who feel that such a vote should be had in the Senate. And if the unanimous-consent request should not be agreed to, I would guess that the Senator from California, the Senator from Ohio, and the Senator from Massachusetts would find some other way to put the issue before the Senate.

I was going to do it in a cooperative manner, in a way that would be acceptable to the majority. I was on the floor earlier in the day, indicated I was going to do this, and indicated that at that time I felt that I could have made the unanimous-consent request, but there was nobody on the floor protecting it. And I did not feel that was an appropriate way in which to proceed.

I am aware of the fact that the Presiding Officer always has the right of any other Senator. But I do not know why the leadership would not be willing to permit this matter to come to a vote. And, if there is objection today, the issue will not go away. Somehow, someway we will try to bring it back and give the Members of this body an opportunity to express their views to the President by Senate resolution.

Under those circumstances, Mr. President, I ask unanimous consent that the Committee on Foreign Relations be discharged from further consideration of Senate Concurrent Resolution 42, and that the Senate proceed to its consideration upon the disposition of Senate Joint Resolution 106 which is the matter having to do with aid to the Nicaraguan Contras.

The PRESIDING OFFICER. The President in his capacity as Senator from the State of Washington objects.

Objection is heard.

Mr. METZENBAUM. Mr. President, I believe I still have the floor.

The PRESIDING OFFICER. The Senator has the floor.

Mr. METZENBAUM. I find no fault with the action of the Senator from Washington in expressing objection in behalf of the majority. I must say that I do not understand it. If he objects because the leadership has not had an opportunity to be consulted and they are at the White House, I understand that. What is so terrible about giving this body a chance to let the President of the United States know how we feel about a visit to Bitburg where the SS Waffen soldiers are buried? These were Hitler's crack troops. Is there not a better place that can be found than Bitburg for a visit by the President of the United States? There are none among us who do not feel strongly that there should be reconciliation with the Germans. But I point out that there has been reconciliation for 40 years, we have been their allies, they have been our allies for 40 years, and no one in his right mind would suggest that the Third Reich is anything like the Federal Republic of Germany. It is not. And that is an agreed-upon fact. Why? What earthly reason can there be for the President of the United States to go to Bitburg and honor Nazi soldiers who were involved in the massacre of defenseless prisoners of war? Every action has to have some reason or justification. There is more than one place in all of Germany that the President can visit in order to indicate reconciliation, and the President has now changed his plan and indicated he is going to visit Bergen-Belsen. That is fine. But visiting Bergen-Belsen does not correct the inappropriateness of visiting Bitburg.

I wish I could rationally think out the why, the stubbornness, and the insistence by the President in this instance. I wish I could figure out what the reason is.

I have heard something about Chancellor Kohl thinking that a change would be inappropriate, although I am not certain of my facts in that respect. But Chancellor Kohl visited Bergen-Belsen just over the weekend, and acknowledged responsibility and guilt of the German people. And I am not trying to find some way to embarrass or humiliate or shame the German people. As a leading newspaper in Munich said, they know their guilt, they share that guilt , they live with it every day, and that they do not need any gesture on the part of any person, including the President of the United States, in order to make them more comfortable. Visiting Bitburg is not going to make the German people feel more comfortable. If the President visits The Wall, maybe that might be appropriate, particularly in view of the difficulties that we have experienced in our relations with that issue.

Why? The Wall between civilized people is hard to understand.

I feel sad. I do not feel angry. I feel low, and I feel a little bit uncomfortable because I cannot understand my President's actions. No one has accused the President of being an insensitive human being. If that be the case, why in this instance is he so adamant, is he so determined, and is he so resolute in insisting that he will indeed visit Bitburg?

Mr. President, now I speak to the President of the United States. I for one feel that literally hundreds of thousands of veterans in this country, millions of Americans, and millions of people throughout this work will breathe a sigh of relief if he changed his plans. And if you continue on and insist it will not be one of the great days in your tenure of office. It will be like a shadow hanging over your term of office that will be very difficult to shake. The American Legion has protested, the Veterans of Foreign Wars have protested, numerous editorials throughout the country have indicated their disapproval, and the people of this country in my opinion do not want their President to lay a wreath on the tombs of the Nazi SS Waffen. We lost 18,000 boys in the Battle of the Bulge, and there were 87,000 casualties. That says it all. That says enough. I hope—prayerfully hope—that the President of the United States will see fit to change his plans. And I further hope that we in the Senate will have an opportunity before he leaves to express our view on this subject.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. GRAMM). Without objection, it is so ordered.

THE BUDGET

Mr. DOLE. Mr. President, the Senator from Kansas has been indicating for a number of weeks that we were going to start the budget process today. I do not want the day to pass without what I call initiating the process, and that would be by a statement that I will make, a very brief statement, which will include a number of responses received from outstanding economists around the country indicating the positive impact this deficit reduction package would have. In other words, if we are able to achieve a $300 billion spending reduction in the next 3 years, most of the economists indicate—it will all be in the RECORD—that if we are going to get a drop in interest, for example, of 1.5 to 2 points short range and maybe 3 points long term, that is significant.

It is another indication, as are other comments from these economists, that we have an opportunity—we all have an opportunity—and I trust that it will be bipartisan. I cannot believe that there are not as many Democrats—and I will not believe there are not as many Democrats—concerned about the deficit as there are Members on this side of the aisle.

It is hoped that we will have a strong bipartisan vote for most of the provisions. Obviously, in some cases, some Members will find it difficult, if not impossible, to support the package.

But I hope that is the exception and not the rule.

We have not been able to begin the debate today because of being in the White House for 8½ hours, six Republicans and six Democrats, myself, and the distinguished minority leader, trying to hammer out some agreement on Contra aid.

I must say we did not succeed. I would also say maybe we did not fail, but we did not reach an agreement. Put it that way.

What I will do at the appropriate time is to enter a motion which will permit me to suspend the rules and offer an amendment so that will protect that right tomorrow.

PROCEEDING ON THE BUDGET

Mr. President, as Members know, it was my intention that on today the Senate would proceed to consideration of Senate Congressional Resolution 32, the resolution reported by the Budget Committee for the fiscal year 1986 budget. Unfortunately it has not been possible to begin that debate today, due to the press of business elsewhere—particularly our efforts to work out a durable compromise on the question of aid to the Contras in Nicaragua.

I want to assure all of my colleagues, and those in the media who may be listening, that the deficit reduction effort remains my top priority and the main item of business for this week. At this time I expect the budget resolution will be laid before the Senate early on Wednesday morning, shortly after convening. We will then, following opening statements and the like, get right into the budget debate.

NEED FOR SPENDING REDUCTION

Mr. President, we need a major spending reduction effort now, and we need a bipartisan effort. I anticipate very solid support for our deficit reduction plan on this side of the aisle, but it may not be unanimous in all areas. At the same, I know that my Democratic colleagues want to make clear to their constituents that they are against deficits, that they support spending cuts, that they want lower interest rates, lasting recovery, and the stronger farm and manufacturing sectors that can result from reduced Federal borrowing and a moderating dollar. They can vote for all these things by supporting our deficit reduction package, and I fully expect that we will have a bipartisan success.

In the time between now and Wednesday, I would like to give all Members some additional information to consider with regard to this spending reduction effort. On April 11 I wrote to leading Wall Street economists to ask their views of how interest rates would respond if Congress enacted in full the budget package that we worked out with President Reagan. We are still getting responses, but so far the message is clear: Interest rates could respond dramatically, and certainly would be considerably lower than they would be in the absence of action. A drop in interest rates of 1 or 2 percent in the near term, with continuing declines over the next 3 years, would make a real, tangible defference to all our constituents—those who want to own homes, operate a business, pay for their children's education, and so forth. That is something to consider when we weigh our loyalties to particular interests in the budget debate against our responsibility to the public interest and to our people as a whole.

For the benefit of Members, I shall insert in the RECORD a summary of the results of our survey of leading economic advisers to date and copies of the letters we have received in response to the survey—which illustrate the real benefits we can claim for our constituents if—I would rather say when—our deficit reduction efforts succeed.

Let me just say very quickly, as I have indicated we do need bipartisan support, and I believe there is potential for bipartisan support.

Tomorrow we will spend the entire day on Contra aid. On Wednesday we will begin discussion of the budget resolution. The President will make a major TV address Wednesday evening where he will tell the American people about the need to enact the budget resolution, the compromise agreement, the $300 billion package, and in my view that will be most helpful.

On April 11 we wrote to leading Wall Street economists to ask their views on how interest rates would respond, if we enacted the full budget package that we worked out with President Reagan.

We are still getting responses, and I intend to refer to these throughout the debate.

As I have indicated, a drop in interest rates of 1 or 2 percent in the near term, with continuing declines over the next 3 years, would make real tangible difference to all of our constituents, those who want to own homes,

operate a business, pay for their children's education, and so forth.

That is something to consider when we weigh our loyalties to a particular interest in the budget debate against our responsibilities to the public interest and to our people as a whole.

Mr. President, I ask unanimous consent to have printed in the RECORD the responses received from some of the economists, and I also ask unanimous consent to have printed in the RECORD prior to their responses a letter addressed to the economists and the information we provided them.

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

U.S. SENATE,
OFFICE OF THE MAJORITY LEADER,
Washington, DC, April 11, 1985.

DEAR SIR: As you know, on April 4 President Reagan and the Republican Leadership of the Senate reached agreement on a major budget package that would reduce the deficit to 2% of GNP by 1988. This package is designed to meet the deficit reduction goal set by Senators Dole and Domenici at the opening of the 99th Congress, and to ease the path toward sustained recovery.

We are enclosing a chart that sets forth the projected outlay and deficit levels with the Reagan/Dole budget package, plus some background material. In terms of the credibility of this budget in achieving both short and long term savings, it should be noted that the package would: 1) achieve permanent entitlement savings with medicare reforms, and the reduction of operating subsidies for public housing; 2) implement a three-year CPI-2 formula with a 2% floor for Social Security benefits; 3) impose a 3% limit on this and future year increases in the defense budget; 4) terminate 17 Federal programs; and 5) save $52 billion in FY 86, and $297 billion over FY 86-88.

You will note that this plan involves some very tough choices. However, the Senate Leadership and the President are firm in their belief that this package will have a beneficial effect on the economy, given the reduction of the deficit as a percent of GPN from its current level of 5.5 percent to a level of 2.0 percent in 1988. Indeed, the success or failure of this plan will depend in large part on the expected economic impact of its enactment, particularly on the level of interest rates.

It would be very helpful to Congress' deliberations in the weeks ahead if we had some sense of what deficit reductions of this magnitude would mean for interest rates. To be specific, what range of short and long term interest rates might we expect in the near term and, say, three years from now.

I expect that legislative action on this package will begin the week of April 22. In order to explain the economic effects of the budget package to my Senate colleagues in an effort to enlist their support.

I expect that legislative action on this package will begin the week of April 22. In order to explain the economic effects of the budget package to my Senate colleagues in an effort to enlist their support, I would appreciate your response as soon as possible. Members of my staff will be in touch with you by telephone shortly.

I believe this is the best opportunity we have had in years—and will have for sometime—to get our deficits under control. I would very much appreciate any advice and assistance you may be able to give in making this budget package a reality.

Sincerely yours,

BOB DOLE,
Majority Leader.

Enclosure.

REAGAN/GOP LEADERSHIP PROPOSED FEDERAL BUDGET
1985–88

[In billions of dollars]

	1985	1986	1987	1988
Outlays	949.1	969.0	1,011.4	1,055.0
Revenues	736.2	793.8	866.6	956.2
Deficit	212.9	175.2	144.8	98.8

AS PERCENT OF GROSS NATIONAL PRODUCT (GNP)

	1985	1986	1987	1988
Outlays	24.5%	23.1	22.2	21.4
Revenues	19.0%	18.9	19.0	19.4
Deficit	5.5%	4.1	3.1	2.0

TOTAL SPENDING REDUCTION

	1985	1986	1987	1988
		−52.2	−99.9	−144.8
Defense Savings		−18.5	−32.0	−47.1
Nondefense savings		−31.2	−58.2	−78.5
Interest savings		−2.5	−9.7	−19.2

SURVEY OF LEADING ECONOMISTS ON COMPROMISE DEFICIT REDUCTION PLAN

OVERVIEW

Most of the economists who have responded anticipate significant interest rate reductions in both the short term and the long term if the budget compromise is enacted exactly as proposed. Most of the respondents qualify their predictions in some way: for example, they question whether Congress has the political will to enact the whole package; they see a need for progress on the trade deficit as well; or they need to assume that the Federal Reserve will be more inclined to accommodate continued recovery if we tighten up on the fiscal side this way.

There seems to be no dispute that, other things being equal, interest rates will be lower than they otherwise would be on enactment of this budget compromise. Estimates of the change in interest rates range from ½% to as high as 3% in the near term, and again as much as 3% lower by 1988. In addition, even those who expect only a slight impact on interest rates in the short term believe that if a package like this is not enacted, there is a risk that rates could rise by as much as 150 basis points (1½%).

In addition, all of the economists, even though they might not necessarily endorse all the contents of the budget compromise, felt it was a very positive and indeed necessary to safeguard the health of the economy.

PHONE RESPONSES

Donald Straszheim, Chief Economist, Merrill Lynch. Straszheim indicated that if the package is fully enacted, it should provide substantial help on interest rates: 1 percentage point decline (100 basis points) within 2 to 3 months. He stressed the need to have something on social security in the package; he also qualified his comment by indicating he questioned the Administration's interest rate assumptions and growth assumptions.

Ed Yardeni, Chief Economist, Prudential Bache. Yardeni indicated that this is an excellent budget agreement, and that he put quite a lot of weight on having President Reagan, Senator Dole, and Chairman Volcker on board supporting the same goal. He thought the package would be very good for interest rates, and if enacted would bring a 1½% drop within a month (150 basis points), and an additional 2% drop (200 basis points) by 1987 or 1988. In addition, he pointed out that it was unlikely rates could drop below 10% at any foreseeable point if a package like this is not enacted.

Leif Olsen, Chairman, Economic Policy Committee, Citibank. Olsen indicated that with enactment of the package, rates would be lower than they otherwise would be, but that the amount of the reduction would be difficult to quantify. He thought the reduction might be rather small in the near term, but said he strongly favored the package on other grounds: the need to de-emphasize consumption in the American economy. He also indicated the package is important if you believe that people are still avoiding interest-rate risks because of the roller-coaster experience of the 1978–81 period, and because the high deficit feeds fears of recurrent inflation. He also noted that there is no doubt that homebuying is crowded out by the deficit, and that holders of government obligations now are the single largest recipient of government payments.

Henry Kaufman, Chief Economist, Salomon Brothers. Kaufman thought the budget agreement, if implemented, would have a modest, not dramatic, impact on interest rates: ½% (50 basis points) in the near term on the prime rate, a bit more on long bonds. But he also indicated that failure to act on the package could have a large negative impact on rates: 1–1½% higher.

Allen Sinai, Chief Economist, Shearson-Lehman. Sinai was somewhat skeptical about the political prospects of achieving the actual savings in the budget compromise, and disagrees on the defense baseline used. Even so, if the package is enacted, he would expect long rates to drop by ¾% in the near term and 2% by 1988—and short rates to drop 1 or 2% by 1986.

Ed Campbell, Chief Economist, Brown Brothers, Harriman. Campbell indicated that the budget package definitely would help the interest rate situation, at least in that if something like it is not enacted, rates would rise at least 1% from current levels. He also thought that in the outyears the package would create a much more favorable climate for interest rates. He also thinks that the economy needs lower rates to meet the Administration's growth projections.

Attached are written responses from Leonard J. Santow of Griggs & Santow, David M. Jones of Aubrey G. Lanston, and Sam Nakagama from Nakagama & Wallace.

GRIGGS & SANTOW INCORPORATED
New York, NY, April 15, 1985.

Hon. BOB DOLE,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR SENATOR DOLE: If the budget deficit in FY-88 were brought down to 2% of GNP, there is little doubt that interest rates would be considerably lower than at the present time. While the degree of the decline is a matter of conjecture, some reasonable guesses can be made. The place to start the analysis is current interest rate levels and how they have come about.

Yields on 30-year Treasury issues in recent months have typically fluctuated between 11% and 12%, while inflation appears

to be running between 3% and 4%. This means an 8% real rate of return. However, investors do not look at these components in this way. Investors place more importance on what inflation is likely to average in the future, not what it is averaging now. Thus, at the present time, given the unknowns of the budget and trade deficits and their adverse impact on inflation, many investors either believe or fear that inflation, over the long run, could well average as high as 6% or 7%.

As for the real rate of return on 30-year Treasury issues, investors must find such issues sufficiently attractive to part with their money. Deregulation has opened up many new investment alternatives; there is a propensity in this country to spend rather than save so that inducements are needed to encourage savings and investment, and finally, there is no scarcity value to the never-ending supply of Treasury issues. Factors such as these place the investor at an advantage over the borrower and it appears that a 5% real rate of return is what can be commanded. So if the fears are that inflation will ultimately run at 6% or 7% and investors can command a 5% real rate of return, the current 11% to 12% yield on long Treasury issues is understandable.

Looking to FY-88, if one were to assume that the budget deficit is brought down to 2% of GNP, the interest rate components, with respect to inflation and real returns, would change. On the inflation side, if price increases are still running at 3% to 4%, the likelihood is that investors would no longer fear a possible 6% or 7% rate in the future. However, since the U.S. has both trade and budget deficit problems, if only the budget problems were substantially reduced, there would still be some upward inflation worries. Assuming that the inflation potential from the budget deficit is greater than that from the trade deficit, one might argue that the budget fear adds about 2% to inflation expectations, while the trade fear adds about 1%. Thus, if the budget deficit were brought under control, inflation expectations would be 4% to 5% compared with the 6% to 7% fear that currently exists.

The budget deficit reduction would also have an impact on real interest rate returns, but here the situation is more complex. Tending to push down real interest rate levels is the fact that the market would no longer be flooded with Government securities and buyers would have a reduced advantage over issuers. The reduced budget deficit would tend to make the dollar more attractive in international markets and strong capital inflows would tend to hold down interest rates. Of course, at the same time, capital inflows would tend to prop up the value of the dollar and could perpetuate the huge trade deficit if other measures are not taken. On balance, the likelihood is that investors' ability to demand a 5% real rate of return would weaken slightly, but would still be sufficient to command between 4% and 5%.

What this analysis suggests is that between now and FY-88, if the economy shows sustained real growth, if the budget is brought down to 2% of GNP and is viewed as being under control, if the dollar maintains its strength and large capital inflows continue, if there are no other factors that cause inflation to jump above its current 3% to 4% range, and if the Federal Reserve errs on the accommodative side, under such circumstances, 30-year Treasury bond yields would likely average between 8% and 10% or about 2% to 3% less than at present. The same size decline would also be likely for shorter-term rates as one can presume a considerable upslope to the yield curve will persist. Obviously, if one or more of the above-mentioned factors turn out differently, the size of the rate decline would be smaller.

Finally, this analysis concentrates on determining the degree of positive occurrances if the deficit is brought down and comes under control. There is, of course, the opposite side and that is if the budget deficit picture deteriorates and many of the factors mentioned above do not materialize. Under such circumstances, bond yields are likely to move higher and not lower than present levels and a range of 12% to 14% would not be out of the question for FY-88. Therefore, the difference in long bond rates between a deficit that moves even more out of control and a deficit that is 2% of GNP could be the difference between having long Treasury rates at 8% to 10% and fluctuating on a relatively modest basis, or having them as high as 12% to 14% and fluctuating in a much more destabilizing manner.

Sincerely,

LEONARD J. SANTOW.

AUBREY G. LANSTON & CO. INC.,
New York, NY, April 15, 1985.

Hon. ROBERT DOLE,
Majority Leader, U.S. Senate, Washington, DC.

DEAR SENATOR DOLE: Your request for my views on the interest rate implications of the budget package recently agreed upon by the President and the Senate Republican Leadership is most appreciated. Please allow me to commend you personally for your fine efforts in shaping this excellent package of Federal deficit-cutting measures. This is by far the most credible and impressive budget-slashing package so far agreed upon by the Reagan Administration and Legislative leaders.

It is significant that this budget package, at the time of its surprise announcement on April 4, was quite favorably received by the financial markets. This was reflected in the fact that prices of U.S. Treasury bonds rallied strongly immediately following this announcement. Moreover, in the event that the entire deficit-cutting package is passed by Congress and implemented with no diluting features, it is reasonable to expect that the interest rate on long-term Treasury bonds might fall by at least an additional 1 percentage point to approximately 10½ percent, from the current level of about 11½ percent. Furthermore, if the budget package were further strengthened with, say, an energy tax designed to raise sufficient revenue to reduce the fiscal 1986 Federal deficit by, an additional $50 billion or so, it could be expected that long-term Treasury bond rates might decline still further, perhaps into "single digit" territory of 9½ percent or lower.

On a more cautionary note, however, I must quickly add that Wall Street is still gripped by considerable skepticism over the chances of the passage and implementation of this budget package. The proposed spending cuts are so severe—particularly in the middle-income "welfare" areas of education, transportation, farm supports and small business—that it would seem highly unlikely that you could attract even the support of many moderate Republicans, let alone Democrats. Most vulnerable is the support for this budget package of those moderate Republicans up for reelection in 1986. Unfortunately, if this budget package fails in Congress, the Administration's fiscal credibility could be damaged beyond repair.

In the final analysis, this budget agreement must be considered as a tough but unavoidable "last-chance" effort to reestablishing spending discipline and fiscal credibility. To be effective, the budget package must be accepted in its entirety, without compromise. And action must be taken immediately. Otherwise, the U.S. economy in the second half of 1985 and 1986 could be headed towards the worst of all possible worlds—weakening real growth, lagging job creation, and rising inflation—or the condition known as "stagflation" (see enclosed article).

Sincerely,

DAVID M. JONES.

[From Standard & Poor's Credit Week, Apr. 15, 1985]

THE DECLINING DOLLAR AND THE THREAT OF STAGFLATION

(By David M. Jones)

Perhaps the most remarkable feature of the current impressive U.S. economic expansion—which is now in its 29th month—is that it has produced an extremely favorable mix of high real growth and low inflation. So far, real gross national product (GNP) has expanded at an average annual pace of 5 percent and has been associated with a record creation of 7.8 million new jobs. At the same time, consumer prices have risen at an annual average rate of only 3.8 percent dramatically below the peak 1979 inflation rate of 13.3 percent.

Fortunately, this eye-catching economic performance has been a special source of attraction to foreign investors. The result at least up until quite recently, has been a strengthening in the U.S. dollar, additional related downward consumer price pressure, and an increasing inflow of foreign funds available to help finance an excessive U.S. federal deficit.

There are, however, emerging signs that this best of all possible worlds—high real growth, strong employment gains, and low inflation—may be starting to crumble. In fact, in the second half of 1985 and in 1986, we may be headed towards the worst of all possible worlds—weakening real growth, lagging job creation, and rising inflation, the condition known as "stagflation."

The key factor in this turnaround is the U.S. dollar. It appears that a strong U.S. dollar may have been the "glue" that held the Reagan economic program together. After rising to unimagined heights through the first two months of 1985, however, the dollar may have started a fundamental, if irregular, downtrend.

The major implication of this projected decline in the U.S. dollar will most certainly be an eventual rise in prices of U.S. imports. For example, it is quite possible that the U.S. dollar may fall 20 percent-30 percent in terms of foreign currencies over the next 12 months. Unfortunately, a dollar decline of this magnitude could, in turn, add two to three percentage points to the rate of increase in U.S. consumer prices. Thus, instead of a 4 percent-5 percent increase in consumer prices in 1986, as might have been expected on the basis of a stable dollar, we could well see a more alarming 6 percent-7 percent or even a 7 percent-8 percent increase in consumer prices.

The prospects for a pronounced decline in the U.S. dollar hinge on three basic factors. First is the relative economic performance in the U.S. and foreign countries. Second,

the recent banking and financial difficulties, and last, prospects for possible Fed easing. Most importantly, over the second half of this year and in 1986, the U.S. economic performance is likely to be relatively weak in comparison with the experience in other industrial economies, particularly that of Britain and West Germany. Continued quarter-to-quarter U.S. fiscal stimulus is likely to be increasingly outweighed by the depressing effects of still high U.S. real interest rates and by the drag from the deepening U.S. trade deficit. Evidencing this latter depressant is the unprecedentedly sharp decline in net exports as a percent of GNP since 1982. The economic drag from net exports was particularly pronounced in the second half of 1983 and, most notably, in the third quarter of 1984. Still more recently, the depressing effect of the U.S. trade deficit has been reflected in the anemic performance of manufacturing employment, particularly in such import-competitive areas as steel, textiles, and leather goods. In the recently released employment figures for March of this year, for example, factory jobs again declined, in line with the pattern of the past six months.

Of course, the prospective downtrend in the U.S. dollar should eventually reduce the U.S. trade deficit. This is because the declining dollar renders U.S. exports less expensive and U.S. imports more expensive. But the full positive economic effects of such a development are unlikely to be felt until 1987. In the meantime, however, excessively high longer-term interest rates are likely to curtail housing activity and capital spending.

Another factor contributing to the dollar's weakness is the recent spate of U.S. banking problems, which seem unlikely to diminish soon. Also, there is the growing perception that because of these financial problems and the possible longer-term weakening in U.S. economic growth, the Federal Reserve will have its hands tied and not be in a position to defend the dollar, even it it wants to do so.

The early signs of renewed inflationary pressures are already evident in rising sensitive commodity prices. For example, the Commodity Research Bureau (CRB) index of prices of sensitive industrial and agricultural commodities has spurted within the month of March to 255.6 in the week ended March 30 from a low of 250 in the week ended March 9. Similarly there has been a bottoming out of precious metals prices in recent weeks.

Another implication of the projected declining dollar and stagflation is upward pressure on U.S. longer-term interest rates. This upward pressure on longer-term rates would reflect, in part, higher inflationary expectations. Also exerting upward pressure on longer-term rates would be a reduction in net foreign investment available to finance the excessive U.S. federal deficit. By way of contrast, U.S. short-term interest rates should remain relatively stable, reflecting weakening U.S. growth and stable, if not easier, Fed pressures on bank reserves. Thus, we may be in for a further steepening of an already sharply upward sloping yield curve.

NAKAGAMA & WALLACE INC.,
New York, NY., April 15, 1985.

Senator BOB DOLE,
Majority Leader, U.S. Senate, Washington, DC.

DEAR SENATOR DOLE: I believe there are solid grounds for being quite optimistic about the interest-rate consequences of your spending-reduction program, especially if it is combined with the tax-simplification proposal. Conversely, failure to act on deficit-reduction is likely to have disastrous effects on our economic and financial future.

As you requested, I have made estimates of the interest-rate consequences of your spending-reduction program. With the adoption of that program, I believe interest rates are likely to trend downward as follows:

[In percent]

	Current	July			
		1985	1986	1987	1988
3-month Treasury bill	8.00	8.5	8.4	8.1	7.8
30-year Treasury bond	11.40	10.9	10.0	9.5	9.0

When combined with tax-simplification (including reduction of the top individual bracket to 35 percent and the corporate rate to 33 percent), I believe that the drop in interest rates would be even more dramatic:

[In percent]

	Current	July			
		1985	1986	1987	1988
3-month Treasury bill	8.00	8.5	7.8	7.2	6.5
30-year Treasury bond	11.40	10.9	9.0	8.0	7.0

Thus, when the spending-reduction program is combined with tax-simplification, the way is opened for an extremely positive interest-rate scenario. Along with the decline in interest rates, the exchange rates for the dollar should also come down in a way that should be beneficial to U.S. business. By lowering interest rates, the enactment of this program will provide major relief for debtors at home and abroad. It will thereby help safeguard our banks and other financial institutions.

On this issue, therefore, the Congress is faced with a choice between lower interest rates and sustained prosperity vs. continued financial instability and possible depression.

Very truly yours,

SAM NAKAGAMA,
Chief Economist.

Mr. DOLE. Mr. President, let me just give you a couple of examples.

Donald Straszheim, chief economist for Merrill Lynch, indicated that if the package is fully enacted, it should provide substantial help on interest rates: 1 percentage point decline—100 basis points—within 2 to 3 months. He stressed the need to have something on Social Security in the package and also qualified his comments by indicating he questioned the administration's interest rate assumptions and growth assumptions.

Ed Yardeni, chief economist, Prudential Bache, indicated that this is an excellent budget agreement and put quite a lot of weight on having President Reagan, and others, on board supporting the same goal. He thought the package would be very good for interest rates and if enacted would bring a 1.5-percent drop within a month—150 basis points—and an additional 2-percent drop—200 basis points—by 1987 or 1988.

That is a 3.5-percent drop in interest rates. I cannot think of a better farm program, a better program for the housing industry, the realtors, the home builders, and all the others who have a direct stake in deficit reduction, and these are estimates from leading economists, but I hope that our colleagues understand that we have this opportunity. We have been asking ourselves and asking Paul Volcker and asking each other what do we do about interest rates. We vote to reduce the Federal spending, and if we do it in the right way, big enough amount—and this is one economist's view—it is going to mean a 3.5-percent drop in interests rates by 1988.

He additionally pointed out that it was unlikely rates could drop below 10 percent in the foreseeable future if we did not enact a package like this.

So that is the other side of the coin. It is one thing if we do it, a positive impact; and a negative impact if we do nothing.

Henry Kaufman, often quoted, the chief economist for Salomon Brothers, thought the budget agree, if implemented, would have a modest, not dramatic, impact on interest rates: maybe a half percent—50 basis points—in the near term on the prime rate, a bit more on long bonds. But he also indicated that failure to act on the package could have a large negative impact on interest rates—1½ percent higher.

So that is again both sides, not aggressive if we enact it, but bad news if we do not enact it.

So I would just think this might be helpful to my colleagues, and I have already asked that it be made a part of the record.

Mr. President, I hope that I have fulfilled my promise that we would initiate some action in the budget on Monday, April 22. That was the opening shot, probably not heard around the world, probably not even heard around the Chamber. But in any event, it is a beginning, and following a little recess tomorrow for the Contra aid discussion, debate, and vote sometime tomorrow evening, hopefully sooner, and then back on the budget in earnest on Wednesday, and I would guess there could be votes on Wednesday, certainly many votes on Thursday and Friday. We hope to come in early on Thursday and Friday. There is a possibility of a Saturday session. In any event we would like to complete action on this package by midweek of next week.

NOTICE OF INTENTION TO SUSPEND A PORTION OF THE RULES

Mr. DOLE. Mr. President, in accordance with rule V of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend that portion of the rules of the Senate contained in Public Law 98-473, precluding an amendment to Senate Joint Resolution 106, for the purpose of proposing to the resolution, Senate Joint Resolution 106, an amendment to be proposed by the majority leader.

Mr. BYRD. Mr. President, reserving the right to object, and I certainly will not object.

The PRESIDING OFFICER. The minority leader.

Mr. BYRD. Will the distinguished majority leader indicate whether or not any amendment offered by him on tomorrow would be germane and relevant to the subject matter within the resolution so that Senators would have a clear understanding that it would not be a nongermane, nonrelevant amendment?

Mr. DOLE. I can assure the distinguished minority leader that it will be germane. Hopefully, it will be something that the two of us can agree on.

As I have indicated earlier, we have spent about 8½ hours today trying to come together on this issue. We have not made it. As far as I know, we have not given up. Hopefully, it will be along those lines, but it will be germane and relevant.

Mr. BYRD. I thank the distinguished majority leader. I remove my reservation.

NOTICE OF INTENTION TO SUSPEND A PORTION OF THE RULES

Mr. BYRD. Mr. President, I have been advised that Senator BENTSEN would want to give notice today in writing that it is his intention to move to suspend the rules of the Senate so as to allow him to offer an amendment to Senate Joint Resolution 106.

On his behalf, therefore, and in accordance with rule V of the Standing Rules of the Senate, I hereby give notice in writing that it is the intention of Mr. BENTSEN to move to suspend that portion of the rules of the Senate contained in Public Law 98-473, precluding an amendment to Senate Joint Resolution 106, for the purpose of proposing to the resolution, Senate Joint Resolution 106, an amendment to be proposed by the distinguished senior Senator from Texas.

Mr. DOLE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the parliamentary inquiry.

Mr. DOLE. As I understand it, any Member has a right to file that motion, is that correct?

The PRESIDING OFFICER. The majority leader is correct.

Mr. DOLE. As I understand, in response to the distinguished minority leader's question about relevance and germaneness, "Is that a requirement?" I have assured the minority leader that the amendment I will offer will be germane and relevant. But it is my understanding that that is not a requirement. If the rules are suspended, it does not need to be germane or relevant.

The PRESIDING OFFICER. The majority leader is correct.

Mr. DOLE. I guess there is no assurance. But I assume the amendment the Senator from Texas may offer, Senator BENTSEN, would be germane and relevant. But I think that is his option.

Mr. BYRD. Will the distinguished majority leader yield?

Mr. DOLE. I yield.

Mr. BYRD. I have no knowledge as to what the contents of the amendment may be. The majority leader is accurate in suggesting that it not be necessary to be germane and relevant. May I say to the distinguished majority leader that my inquiry was merely to say to those who may read the RECORD over the evening that whatever amendment the distinguished majority leader will offer will be relevant and germane. And I think both the distinguished majority leader and I have had under consideration the likelihood of an amendment that would be offered which would probably serve as a complete substitute. I do not know that this is the intention of the majority leader. I cannot say whether the amendment by Mr. BENTSEN would be relevant and germane. I have a feeling that it might deal with economic sanctions. I know that that is something that has been discussed by the distinguished Senator from Texas. But I am not sure that is what he had in mind. It could involve economic sanctions. I think we would be safe in saying that it will be germane. But I cannot assure the distinguished Senator of that. It will require a two-thirds vote of those present and voting just as would any other motion to suspend the rule.

Mr. DOLE. I thank the distinguished minority leader, and I know that Senator BENTSEN has expressed himself publicly about the need for economic sanctions. I hope that it will be germane and relevant. That is an area I might indicate—if Senator BENTSEN will review the record—which has taken a great deal of time of the day. We have discussed it a number of times in the White House. It was in the package submitted by the distinguished minority leader to me early this morning. The White House staff indicated that the President has that authority. It may be under consideration. I know of Senator BENTSEN's concern. In the spirit in which I would offer any amendment, it would be relevant and germane. I just hope any amendment the Senator from Texas may offer would be relevant and germane.

Mr. BYRD. If the distinguished majority leader will yield, I have inquired of the staff of the distinguished Senator from Texas. And the response is that it will deal with the economic sanctions.

Mr. DOLE. I thank the distinguished minority leader. I know the Senator from Texas is very concerned about this issue.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

NOTICE OF INTENTION TO MOVE TO SUSPEND A PORTION OF THE RULES

Mr. HELMS. In accordance with rule V of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend that portion of the rules of the Senate contained in Public Law 98-473, precluding an amendment to Senate Joint Resolution 106, for the purpose of proposing to the bill, Senate Joint Resolution 106, an amendment.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

NOTICE OF INTENTION TO MOVE TO SUSPEND A PORTION OF THE RULES

Mr. BYRD. Mr. President, in accordance with rule V of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend that portion of the rules of the Senate contained in Public Law 98-473, precluding an amendment to Senate Joint Resolution 106, for the purpose of proposing to the bill, Senate Joint Resolution 106, an amendment sponsored by the minority leader of the Senate.

May I say for explanation, my amendment, which I would offer if I should exercise my right to move to suspend the rules, would be germane and relevant to the subject matter of the basic resolution, or would certainly be germane and relevant to any other amendment which may be offered in connection with any of the

notices that have been entered today in writing.

Mr. DOLE. Mr. President, I believe I can assure the distinguished minority leader that the motion entered by Senator HELMS on any amendment he might offer I understand will be germane and relevant. I believe he has a little different view of today's proceedings than many others who were there have. I think he is thinking about proposing an amendment.

Mr. BYRD. I thank the distinguished majority leader. I may not exercise my rights under the notice to offer an amendment, but I will have fulfilled the requirement of such rule. I thank the majority leader.

ORDERS FOR TUESDAY

Mr. DOLE. Mr. President, by unanimous consent of April 4, the Senate will convene tomorrow at 8 a.m.

Following the recognition of the two leaders under the standing order there will be a special order in favor of the Senator from Wisconsin [Mr. PROXMIRE] for not to exceed 15 minutes.

ORDER FOR RECOGNITION OF CERTAIN SENATORS

Mr. DOLE. Mr. President, I ask unanimous consent that following the Proxmire special order there be additional special orders for the following Senators not to exceed 15 minutes each: Senators WEICKER, DOMENICI, and SPECTER.

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

ORDER FOR RESUMPTION OF SPECIAL ORDERS

Mr. DOLE. Mr. President, I ask unanimous consent that any special order not executed prior to the hour of 9 a.m. resume following disposition of Senate Joint Resolution 106.

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

Mr. DOLE. Mr. President, following the special orders, if time permits, there will be a period for the transaction of routine morning business not to extend beyond the hour of 9 a.m. with statements limited therein to 5 minutes each.

At 9 a.m., the Senate will begin consideration of Senate Joint Resolution 106, supporting military or paramilitary operations in Nicaragua under a statutory time limitation of 10 hours. A vote will occur on final disposition of Senate Joint Resolution 106 prior to the close of business on Tuesday, April 23, 1985.

RECESS UNTIL TOMORROW AT 8 A.M.

Mr. DOLE. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the unanimous-consent agreement entered into earlier, that the Senate stand in recess until 8 a.m. tomorrow morning.

The motion was agreed to; and the Senate, at 7:52 p.m., recessed until Tuesday, April 23, 1985, at 8 a.m.

NOMINATIONS

Executive nomination received by the Secretary of the Senate after the recess of the Senate on April 18, 1985, under authority of the order of the Senate of January 3, 1985:

DEPARTMENT OF ENERGY

Joseph F. Salgado, of California, to be Under Secretary of Energy, vice William Patrick Collins, resigned.

Executive nominations received by the Secretary of the Senate April 19, 1985, under authority of the order of the Senate of January 3, 1985:

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. William E. Odom, xxx-xx-xxxx U.S. Army.

IN THE NAVY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370.

To be vice admiral

Vice Adm. Crawford A. Easterling, xxx-xx-xxxx/1310, U.S. Navy.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370.

To be vice admiral

Vice Adm. William J. Cowhill, xxx-xx-xxxx/1120, U.S. Navy.

The following-named officer, under the provision of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. Powell F. Carter, Jr., xxx-xx-xxxx/1120, U.S. Navy.

IN THE MARINE CORPS

The following-named officers of the Marine Corps and Marine Corps Reserve for permanent appointment to the grade of lieutenant colonel, under provisions of title 10, United States Code, section 624:

Abelee, James R., xxxx
Ables, Charles K., xxxx
Adcock, Gayle E., xxxx
Aitken, Alexander J., xxxx
Allison, Kenneth C., Jr., xxxx
Amos, James F., xxxx
Arent, Michael J., xxxx
Babin, Billy T., xxxx
Bailey, Robert L., xxxx
Bakke, Steven T., xxxx
Ball, Robert E., xxxx
Ball, Edward J., III, xxxx
Ball, William F., III, xxxx
Bates, Richard W., xxxx
Batulis, Bryan J., xxxx
Beinhart, Ernest G., III, xxxx
Berle, Jill A., xxxx
Bierly, Jerome F., xxxx
Biggers, Archie J., xxxx
Bird, Margaret E., xxxx
Black, Douglas M., xxxx
Blackman, Robert R., Jr., xxxx
Bourdon, Paul J., xxxx
Bowers, Rodney L., xxxx
Bruch, Stephen E., xxxx
Buckovetz, Dennis M., xxxx
Buescher, Allan S., xxxx
Calderon, Albert R., xxxx
Cameron, Kenneth D., xxxx
Carver, Craig L., xxxx
Casler, James G., xxxx
Chambers, Justice M., Jr., xxxx
Charles, William M., II, xxxx
Church, Jimmy H., xxxx
Ciotti, Anthony J., Jr., xxxx
Clampitt, Richard H., xxxx
Cluelow, Jay M., xxxx
Cole, John H., Jr., xxxx
Comaratta, Leonard J., xxxx
Cote, Richard A., Jr., xxxx
Counselman, John D., xxxx
Cowell, Lawrence G., xxxx
Creed, Jerry L., xxxx
Cruz, Ronald J., xxxx
Davis, Charles E., Jr., xxxx
Devite, Edward A., xxxx
Diggs, Alphonso B., Jr., xxxx
Dokos, Patricia A., xxxx
Dorroh, Jefferson D., III, xxxx
Dryer, Will L., Jr., xxxx
Dudley, Andrew S., Jr., xxxx
Dudnick, Douglas W., xxxx
Duff, Brendan, xxxx
Duff, Charles O., Jr., xxxx
Egan, James B., xxxx
Elliott, Milton V., xxxx
Engstrom, John D., xxxx
Essink, Robert G., xxxx
Evans, Harold W., III, xxxx
Everhart, Richard S., xxxx
Fallon, Michael O., xxxx
Fields, Arnold, xxxx
Fields, Paul R., xxxx
Fischer, Vincent L., Jr., xxxx
Fitzgerald, Jerry W., xxxx
Flaherty, Thomas A., xxxx
Flatley, Peter J., xxxx
Flowers, Thomas H., xxxx
Flynn, James C., xxxx
Foore, Marshall B., xxxx
Forester, Zachary T., III, xxxx
Forrester, Robert A., xxxx
Franks, Michael J., xxxx
Gagliard, Frank A., Jr., xxxx
Gahan, Timothy M., xxxx
Gamble, William N., xxxx
Garner, Robert D., xxxx
Gebhard, Lewis J., xxxx
Gombar, Bruce A., xxxx
Graham, Paul S., xxxx
Greathouse, Daniel G., xxxx
Grubb, William C., Jr., xxxx
Gruehl, John J., xxxx
Guiney, Thomas B., xxxx
Hackett, William H., xxxx
Hale, William M., xxxx
Haley, Stephen D., xxxx
Hall, John B., xxxx
Hammond, James D., xxxx
Harrington, Ronald C., xxxx
Hatch, William M. xxxx
Hawkins, James M., xxxx
Hayes, Roger L., xxxx
Head, Allen T., Jr., xxxx
Henley, Leon F., Jr., xxxx
Hertel, John P., xxxx
Hicks, Frank W. xxxx
Hillman, Kenneth W., Jr., xxxx
Hines, Kennon D., Jr., xxxx
Hoeft, Diane S., xxxx
Holihan, Richard F., xxxx
Hollister, William D., xxxx
Horton, David S., xxxx

Houser, Robert E., xxxx
Hudson, John W., Jr., xxxx
Hughes, Philip E., xxxx
Hughey, Gary H., xxxx
Huly, Jan C., xxxx
Humble, Jerry D., xxxx
Hutton, Joseph L., Jr., xxxx
Isaly, Douglas K., x...
Jensen, Sigurd L., III, xxxx
Johnson, David C., xxxx
Johnson, Maralee J., xxxx
Jones, Rodger L., xxxx
Jones, Thomas S., xxxx
Jones, William R., xxxx
Jones, William K., Jr., xxxx
Kahler, Jerry W., xxxx
Keller, George R., Jr., xxxx
Kocevar, Frank L., xxxx
Kohl, Richard T., xxxx
Kolar, Mac D., xxxx
Kotora, Jeffrey C., xxxx
Kreibach, Henry J., Jr., xxxx
Kyle, William P., xxxx
Langston, Edward R., Jr., xxxx
Larson, Jack D., xxxx
Lee, Jr., Paul M., xxxx
Lehman, Joseph R., xxxx
Lendaro, Valentino L., xxxx
Lewis, Terry N., xxxx
Lindeman, Dennis C., xxxx
Litchfield, David C., xxxx
Lizzo, John K., xxxx
Lunday, Robert K., Jr., xxxx
Lusczynski, Leon S., xxxx
Malone, George M., xxxx
Maloney, Michael V., xxxx
Manary, Gregory K., xxxx
Martin, Terry L., xxxx
Mashburn, Harold, Jr., xxxx
Mauer, Roger J., xxxx
Maxey, William L., xxxx
Maxfield, Keith L., xxxx
May, Richard P., xxxx
McAbee, Jerry C., xxxx
McCormick, Ray M., xxxx
McDermott, John J., xxxx
McDonald, Thomas O., xxxx
McGinnis, Dwight R., Jr., xxxx
McMillin, Billy D., xxxx
Messick, Lonnie L., xxxx
Metzger, Peter T., xxxx
Middleton, John B., Jr., xxxx
Miranda, Raul A., xxxx
Mitchell, Donald M., xxxx
Monigan, Michael F., xxxx
Motley, Robert S., xxxx
Moxley, Patrick A., xxxx
Mullen, Michael R., xx...
Mutchler, Robert S., xxxx
Myers, William N., xxxx
Napier, James H., xxxx
Napier, Rollin G., xxxx
Naylor, James M., xxxx
Neely, William L., xxxx
Newbold, Gregory S., xxxx
Nielsen, Miken J., xxxx
Niemczyk, Ignatius J., xxxx
Niemyer, John J., xxxx
North, Warren W., xxxx
Norton, William R., III, xxxx
Nymeyer, Raymond L., xxxx
Oates, Willard D., xxxx
Ohara, Michael J., xxxx
Okland, Douglas A., xxxx
Orazi, Robert M., xxxx
Osman, Henry P., xxxx
Pannek, Michael D., xxxx
Patrow, Renee., xxxx
Patten, Clarence F., III, xxxx
Patterson, James H., xxxx
Paul, Terry L., xxxx
Pearcy, Ralph E., II, xxxx
Peck, Frederick C., xxxx
Perrault, George N., III, xxxx
Phelps, John F., xxxx
Poling, Sherman A., xxxx
Porter, James J., Jr., xxxx
Potter, Stephen E., xxxx
Pratt, Andrew N., xxxx
Priestly, Kenneth L., xxxx
Pugh, Richard L., xxxx
Quattlebaum, John R., xxxx
Randel, Kerry O., xxxx
Randel, Garrett V., Jr., xxxx
Rayman, Brett D., xxxx
Reeve, James L., xxxx
Rehberger, Louis A., III, xxxx
Reid, James L., xxxx
Rhodes, Harold P., xxxx
Rice, William M., xxxx
Robeson, Edward J., IV, xxxx
Robichaud, Robert S., xxxx
Robinson, Gilford G., xxxx
Rodenberg, Earl C., xxxx
Rubens, Jonathan E., xxxx
Scheferman, Jeffrey E., xxxx
Schmidt, John W., xxxx
Schroeder, Jerauld D., xxxx
Schwenk, James R., xxxx
Seipt, Paul R., xxxx
Selvage, Donald R., xxxx
Selzer, Michael D., xxxx
Seth, Fred D., Jr., xxxx
Sheets, Darrel, W., xxxx
Shively, Albert E., xxxx
Shores, Howard P., II, xxxx
Sickler, Robert I., Jr., xxxx
Simpson, Victor A., xxxx
Sloan, Gregory G., xxxx
Smith, James E., xxxx
Smith, Michael W., xxxx
Smith, Edward D., Jr., xxxx
Smythe, Jon W., xxxx
Sonnenberg, Robert E., Jr., xxxx
Sooy, Craig E., xxxx
Spears, Elmer R., Jr., xxxx
Stahl Mykle E., xxxx
Stahl, Norman S., xxxx
Stanley, Clifford L., xxxx
Stanley, Wayne A., xxxx
Steele, David L., xxxx
Steiner, Jon O., xxxx
Stensrud, Thorys J., xxxx
Stepien, Edward R., xxxx
Stewart, Joe R., xxxx
Stewart, Priscilla L., xxxx
Stockwell, David A., xxxx
Sublette, William J., xxxx
Sulick, Tom E., Jr., xxxx
Sullivan, Alan P., xxxx
Teller, Michael J., xxxx
Thomas, James B., xxxx
Tillett, Coulter D., xxxx
Trapnell, Byron M., xxxx
Tullos, George C., xxxx
Verduci, Alexander C., xxxx
Waldron, Joseph R., xxxx
Walsh, John E., xxxx
Wayne, Michael P., xxxx
Wells, David M., xxxx
Wesley, William J., xxxx
Westfall, William C., Jr., xxxx
Whitham, Paul A., xxxx
Willard, Richard T., xxxx
Williams, Michael E., xxxx
Williams, Norris E., xxxx
Williams, Thomas W., xxxx
Williamson, James H., xxxx
Willie Clarence E., Sr., xxxx
Wilson, Paul E., xxxx
Wilson, Thomas E., xxxx
Wittle, David L., xxxx
Wright, Gary J., xxxx
Wright, John P., xxxx
Young, Randall H., xxxx
Youngs, Brian M., xxxx
Zegar, Richard H., xxxx

IN THE NAVY

The following-named Naval Reserve Officers Training Corps candidates to e appointed permanent ensign in the line or staff corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Bartleman, William M., II	Metts, Willie L.
	Reynolds, Jay A.
Borthwick, Robert P.	Shinkle, James R.

The following-named Naval Reserve officers to be appointed permanent ensign in the line or staff corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Allen, James D.	Jacobson, Jerry L.
Brown, Paul E.	Landers, Robert B.
Baumgarner, Marc D.	McQuaig, James M.
Caldwell, James H., III	Mingonet, Charles L. Jr.
Camara, John A.	Nelson, Karyn R.
Carlson, Jeffrey L.	Nunnally, Stephens W. Jr.
Chalker, Albert E.	
Crouch, Robert A.	Palmer, Richard C.
Davis, Charles A.	Philbrick, Charles R., Jr.
Doty, Charles A.	
Epple, James E.	Pitale, John E.
Fidrych, Anthony M.	Reichart, Robert A.
Ganci, Charles B.	Shapro, Stephen
Hanson, Steven P.	Shearer, Patrick J.,
Hughes, Robert J.	Storey, Michael T.
Hull, Barry W.	Tarrell, Alvin E.
Hunter, Jeffrey T.	Tilbury, Jeffrey P.

The following-named Navy enlisted candidates to be appointed permanent chief warrant officer, W-2, in the U.S. Navy, pursuant to title 10, United States Code, section 555:

Masters, Ralph E.
Watkins, Harold D.

Jerome Shea, lieutenant commander, U.S. Navy, retired, to be reappointed permanent lieutenant commander from the Temporary Disability Retired List, pursuant to title 10, United States Code, section 1211.

Ward W. Stevens, Jr., ex-Naval Reserve officer, to be appointed permanent commander in the Medical Corps of the U.S. Naval Reserve, pursuant to title 10, United States Code, section 593.

The following-named medical college graduates to be appointed permanent commander in the Medical Corps of the U.S. Naval Reserve, pursuant to title 10, United States Code, section 593:

Haugh, John D.
Smith, George J.W.

The following-named U.S. Navy officers to be appointed permanent commander in the Medical Corps of the U.S. Naval Reserve, pursuant to title 10, United States Code, section 593:

Buckley, Robert L.	Presley, Jimmy C.
Malstrom, Robert H.	Shodhan, Pragna N.

Craig B. Dever, commander, U.S. Navy, to be appointed permanent commander in the Dental Corps of the U.S. Naval Reserve, pursuant to title 10, United States Code, section 593.

Executive nominations received by the Senate April 22, 1985:

DEPARTMENT OF THE TREASURY

Margaret DeBardeleben Tutwiler, of Alabama, to be an Assistant Secretary of the Treasury, new position—Public Law 98-594 of October 30, 1984.

IN THE AIR FORCE

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370:

Lt. Gen. Herman O. Thomson, xxx-... xxxx FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Jack I. Gregory, [redacted]FR, U.S. Air Force.

The following-named officer under the provision of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. John L. Pickitt, [redacted]fr, U.S. Air Force.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Dale A. Vesser, [redacted], U.S. Army.

IN THE NAVY

The following-named commodores of the Reserve of the U.S. Navy for permanent promotion to the grade of rear admiral in the line and staff corps, as indicated, pursuant to the provisions of title 10, United States Code, section 5912:

UNRESTRICTED LINE OFFICERS

Richard Edward Young
Tammy Haggard Etheridge
LeRoy Collins, Jr.
Frederick Peter Bierschenk, Jr.

UNRESTRICTED LINE OFFICER (TAR)

Tommie Fred Rinard

MEDICAL CORPS OFFICER

James Albert Austin

DENTAL CORPS OFFICER

Haruto Wilfred Yamanouchi

SUPPLY CORPS OFFICER

Donald Gene St Angelo

CIVIL ENGINEER CORPS OFFICER

Charles Richard Smith

IN THE MARINE CORPS

The following-named U.S. Air Force Academy Graduates for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code, section 541

Michael J. Piirto, [redacted]
Robert M. Simmons, [redacted]

The following-named Marine Corps enlisted commissioning education program graduates for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10 United States Code, section 531:

Steven B. Beal, [redacted]
Thomas C. Gonter, [redacted]

The following-named Naval Reserve Officers Training Corps Graduates for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code, sections 531 and 2107:

Andrew L. Bynum, [redacted]
Mark L. Diedrich, [redacted]
Robert N. Ellithorpe, [redacted]
Christopher D. Heid, [redacted]

IN THE NAVY

The following-named officer for promotion to the grade indicated under the provisions of article II, section 2, clause 2 of the Constitution of the United States of America.

To be captain

Cmdr. Donald E. Williams, U.S. Navy, [redacted]/1310.